

A Work Project, presented as part of the requirements for the Award of a Master Degree in
Management from the NOVA – School of Business and Economics.

**A FIRST EFFORT TO UNDERSTAND THE IMPACT OF WEB SUMMIT IN
LISBON 2016-2017 ON THE HOSPITALITY INDUSTRY AND DEVELOPMENT OF
STARTUPS**

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Abstract

The Web Summit, as the largest tech conference worldwide, generated a considerable media buzz around the event when it was announced that it would be held in Lisbon. Now, in its third edition in Lisbon, it seems to be a remarkable achievement in terms of tourism and entrepreneurship. Due to the ongoing effects of such an event in multiple industries, this dissertation will begin by presenting a collective research of the event incorporated on MICE, followed by an in-depth analysis of its impact on the hospitality sector and on Portuguese startups.

Keywords: Web Summit, MICE, Hospitality industry, Startups

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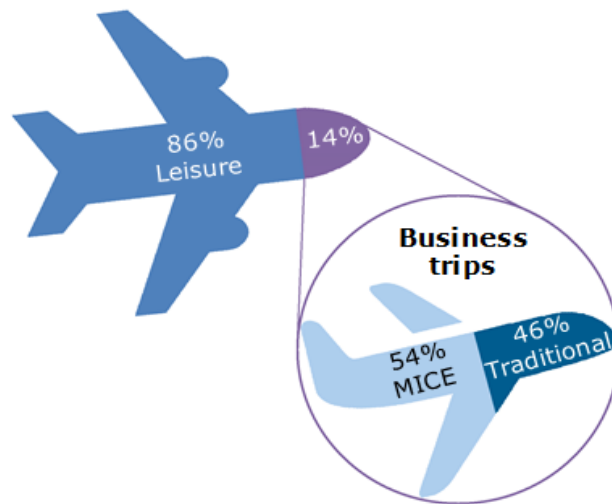
Section 1. Collective Analysis of Web Summit

Introduction

In this research, the Web Summit event will be considered within the scope of MICE, acronym for Meetings, Incentives, Conferences and Exhibitions, in the area of tourism. MICE can be defined as a set of activities that are organized for a specific group of people and with a clearly identified purpose. According to Vaid et al. (2016), in a study of MICE Tourism Dynamics in Auto Expo 2016 of Global journal of Enterprise Information System, the “MICE sector emerges as one of the fastest growing components of tourism worldwide”. As stated by Davidson and Turner (2017), “the sharing and accumulation of knowledge and information” is the growth driver of these events. Travelling with the purpose of doing business or acquiring some specific learning experience related to the purpose of MICE attracts people from all over the world, which contributes to the growth of the economy. Beyond that, this type of event has been increasingly promoted and conducted all over the world, thus confirming the growing trend of this type of events. Statistical data released by the Allied Market Research on Global MICE industry reveals that the global market size in 2016 was \$752 billion and it is expected to reach \$1.245 billion by 2023.

Nowadays, business tourism, which MICE is part of, can be considered more important than ever not only because of the growing trend (CAGR of 7.5%) but also because business travellers are the highest-spending category of travellers. So, the attendees of these kinds of events are not only simple tourists given that their main goal is business oriented. Nevertheless, they can make the most of their spare time to also visit the city, or participate in other leisure activities. As reported by the World Tourism Organization in the graph below, leisure tourism accounts for 86% of the world’s international tourists’ arrivals, while business trips only represent the remaining 14%. Moreover, out of those 14%, MICE travellers correspond to 54% which means that around 7.5% of all the tourist arrivals are MICE travellers.

Figure 1 – World International Tourist Arrivals



Source: CBI, the Centre for the Promotion of Imports from developing countries, (2016)
“What are the opportunities for MICE tourism from Europe?” P.6

Portugal occupies an important place in which respects to the number of meetings, ranked tenth worldwide in this category, according to the ICCA (International Congress and Convention Association) Statistics Report Country & City Rankings 2016. However, the ranking for the estimated total number of participants per country reveals that Portugal occupies only the 21st position worldwide (in appendix I), which shows that Portugal has potential to attract more events of big impact given that the vast majority are small sized ones with low attendance figures.

Research Questions

As this topic is too broad and the event can have impact on different industries; for the purpose of this investigation, it becomes important to narrow the scope and define the research questions. Primarily, a collective analysis of the Web Summit, included on MICE, will be performed, then the research will be divided into two different parts, one will focus on what the impact of the Web summit on the hospitality industry is and the other will analyse the impact on the development of Portuguese startups.

Methodology

The methodological approach will be based on primary and secondary data, both quantitative and qualitative.

Regarding the secondary data, a literature review in business tourism was conducted. This was complemented with academic articles and media sources providing useful insights for the research. This study has contributed for a better understanding of the MICE industry, where the web summit is included.

The primary data was used to complement the literature review. An online survey was performed and distributed through social media randomly. The survey was conducted using the Nova Qualtrics platform with the objective of studying participants' motivations to take part in the event, their satisfaction level in terms of the quality of the speakers, the board of startups, security and infrastructure facilities, the type of accommodation chosen, and the length of their stay, as well as, their perception of the impact of the web summit on the Portuguese economy. A total number of 117 answers were collected, which can be considered enough to make statistical inference from the database.

Economic Impact – Definition and Concept

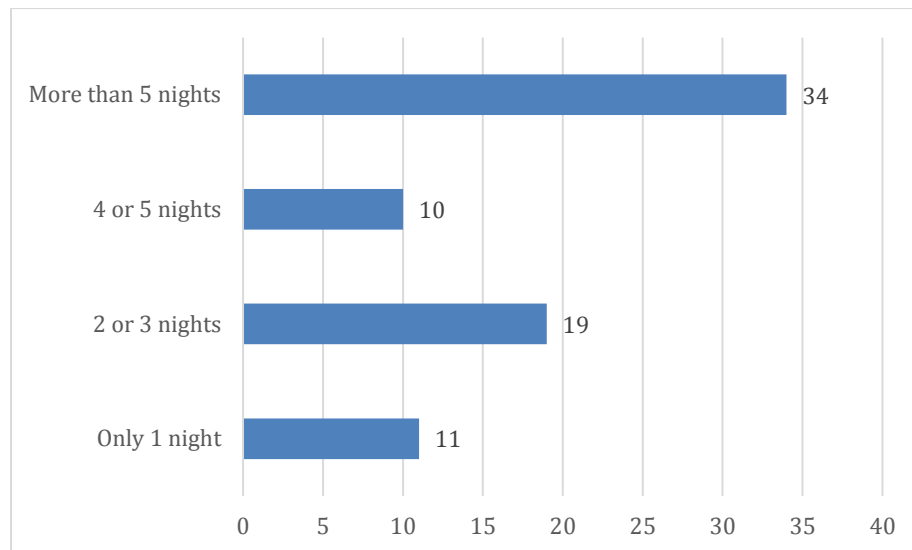
According to Davies et al. (2013), “in its simplest form, economic impact is the economic contribution of a given industry or activity on a defined geographical area or community.” In a broader framework, “economic impact in the context of major events is commonly referred to as the contribution of an event to total spending; output, income and employment (Tyrrell and Johnston, 2006).” Those macro variables changes are the result of the impacts described below and will be measured with specific variables for each industry.

Thus, for the purpose of our investigation it is important to analyse the impact of MICE and what benefits it can bring to the destination. Therefore, for this research, the impact will be divided into direct, indirect and induced effects (S. R. Miller, 2007). The direct impact can be defined as “the impacts that are generated directly via tourism expenditure. Tourists’ income directly generates income and jobs in hotels, attractions, tour companies and travel agencies” (Inkson and Minnaert 2018, 163). The indirect impact refers to the “tourist expenditure that indirectly augments the local economy, via purchases made by the businesses that cater for tourists” (Inkson and Minnaert 2018, 163). A restaurant, for example, as it welcomes more tourists, it will purchase more inputs from the suppliers or hire new employees. Finally, the induced impact represents “the result of expenditure by residents of the region, who have been directly or indirectly affected by tourist expenditure” (Inkson and Minnaert 2018, 163). So, “if through tourism many residents of a region are better off, they are likely to spend more and make many local businesses flourish” (Inkson and Minnaert 2018, 163). This last effect can also be seen as a multiplier effect because it derives from the direct and indirect impact.

MICE can bring several benefits for the host city/country, mainly direct economic advantages to the tourism sector, creating new jobs that are required to organize such event, and all those multiple industry suppliers, such as, restaurants, taxi drivers and small business owners. It also boosts cultural tourism, in terms of theatres, art galleries and museums.

Regarding the direct impact, it is important to mention that “MICE travellers” usually spend more than a common tourist and also stay longer at the destination (Hunt, 1989). The empirical data also supports this statement because the majority of the respondents have stayed more than 5 nights, as shown in the graph below (46%).

Figure 2 –Survey Analysis – How long did you stay in Lisbon for the event?



Source: Nova Sbe Qualtrics – Direct Research

Therefore, leisure tourists and business travellers have different characteristics which can be seen in the figure below. First of all, the main difference is the audience, individual consumers, in the case of leisure and corporations, or associations when it concerns to MICE events.

Due to the different travel purposes, the supply chain elements of these two types of travellers are completely distinct. Whilst in the case of leisure travellers the supply chain elements are linked to the travel experience, business travellers’ demand services related with business, such as, professional congress organizers or convention bureau. On the product side, despite the common elements of accommodation and transportation, there are also differences in the way that leisure tourists look for attractions and tours and MICE organizers search for meeting facilities and special venues to hold events. Finally, when deciding the destination, leisure

visitors focus on the destination's appeal and look for fun, while business travellers concentrate on professional development and infrastructure capacity.

Figure 3–Leisure tourism vs MICE

	Leisure tourism	MICE
Audience	-Consumers	-Corporations and associations
Participants	-Leisure travellers	-Business travellers
Supply chain	-Inbound tour operators -Outbound tour operators -Travel agencies -Personal travel advisors -Online portals and travel agencies	-Business travel / MICE tour operators -Incentive travel houses -Professional Congress Organizers (PCOs) -Exhibition/event management companies -Corporate travel agents -Destination Marketing Organizations (DMOs) -Convention bureau
Products	-Accommodation -Attractions -Tours -Excursions -Transportation -Restaurants -Shopping	-Accommodation -Meeting facilities -Special venues, e.g. sporting venues or museums -Technology -Transportation -Catering -Entertainment
Motivators	-Destination appeal -Fun/self-actualization	-Infrastructure and capacity -Professional development

Source: CBI, the Centre for the Promotion of Imports from developing countries, (2016)
 “What are the opportunities for MICE tourism from Europe?” P.3

Moreover, these business events generally occur outside the holiday period which contributes to reduce seasonality, thus attracting more tourists to the city in the low season time. Since the Tourism sector is nowadays one of the main growth drivers of the Portuguese economy, it is important to ensure that destinations know how to deal with the problem of seasonality and try to find solutions that could minimize the low season period. Also in terms of direct impact, there is the transfer of knowledge and technology.

Furthermore, there are some indirect benefits as it improves the city image and promotes destination awareness. These International Conferences and Exhibitions cause a *buzz* in media sources which promote the event and the respective host city worldwide. Additionally, social networks help to spread even more through word-of-mouth. Moreover, all the purchases performed by local business as a result of the additional demand should also be considered in terms of indirect impact.

Finally, regarding induced impact, as already stated above, it can be seen as a multiplier effect resulting from an increase in the purchasing power from the ones directly related with the event. For instance, due to the high affluence of people, restaurants have more customers, as a result employees have to work extra hours and earn extra money. Furthermore, spending this extra money creates an induced impact that boosts the economy, which generates other induced impacts and that is why it is considered a multiplier effect.

Attractive Factors for MICE: PESTLE Analysis

Regarding the business of tourism, there are several critical factors to successfully attract MICE events and these elements could create a competitive advantage in comparison to other destinations.

In order to analyse all the reasons why Portugal in general, and Lisbon in particular, are good options to held MICE events a PESTLE analysis will be conducted.

Figure 4–PESTLE Analysis

P Political	<ul style="list-style-type: none"> • Political Stability • Associations that support the conference organisation (Associação de Turismo de Portugal, Turismo Lisboa and AICEP) • Easy access to visa system
E Economic	<ul style="list-style-type: none"> • Tourism Sector is growing in percentage of GDP • The investment in the Hotel sector has been growing and the accommodation offer is more diversified • Competitive cost/quality of living ratio
S Social	<ul style="list-style-type: none"> • Hospitable and welcoming population • Ease in understanding other languages (English mainly) • Wide cultural offer
T Technological	<ul style="list-style-type: none"> • Portugal is a leader performing operations through ATM • 99,8% of Portuguese households have internet coverage • High quality infrastructure (telecommunications, internet access and road infrastructure)
L Legal	<ul style="list-style-type: none"> • Portugal is under EU regulation • Schengen area - Free movement of people, capital and goods • Investment in R&D
E Environmental	<ul style="list-style-type: none"> • Nice weather conditions • Portuguese citizens are becoming more environmentally concerned • Portugal is one of the countries that uses more renewable energy sources

Regarding the Political factors, Portugal benefits from a reasonable economic and political stability that provides a safe environment for Foreign Direct Investment (FDI). According to a study done by Busse and Hefeker (2007), the socio-political stability of the host country is one of the most important factors when deciding to invest in one country. Beyond that, Portugal has some associations/institutions that support the organization of these large events. AICEP (Agency for Investment and International Trade of Portugal) promotes internationalization actions to encourage foreign companies to invest in Portugal and supports Portuguese companies who want to internationalize. One of the channels used to promote those actions is through conferences and seminars. Turismo de Lisboa with support of Turismo de Portugal also has a program that promotes and finances the organization of congresses financed by the Fundo de Desenvolvimento Turístico de Lisboa.

Regarding the Portuguese Immigration Policy, when an EU/EEA/Swiss citizen decides to come to Portugal the person in question only needs his/her identity card to enter the country. Citizens coming from all other countries need a Portuguese visa issued by a Portuguese embassy besides their passport. There are different types of visa (study, work, entrepreneur, startup, golden, D7 visa) which facilitate the entry of foreigners in Portugal who wish to stay for a longer period of time. For the ones that are just tourists and stay for less than 90 days, there is no need for a visa, which is an advantage when compared to other countries such as the USA or Canada that have stricter immigration policies.

Concerning the Economic factors, the tourism sector is growing in percentage of total GDP and nowadays represents around 7% of the Portuguese GDP which is quite considerable and helps to create a vicious cycle that generates more investment and more income to the country. The proof of this is the fact that Lisbon was ranked on the 12th position among the best European cities for hotel investment in 2017 (Antunes 2017). Moreover, Lisbon ranked 137th out of 209 cities in terms of cost of living (Mercer 2017) which confirms that Portugal has a low cost of living when compared to the other European capitals (Zurich, London or Paris). On the other hand, according to the Mercer 2017 quality of living ranking, Lisbon occupies the 37th place, just above Paris. Thus, Portugal is a competitive country in terms of cost/quality of living ratio.

Regarding the social point of view, Portugal is a very welcoming country and the general population understands other languages easily (English mainly). The Portuguese citizens show high fluency of foreign languages, “60% of the Portuguese population speaks at least one foreign language” (EY Portugal Attractiveness Survey 2017, 10), as well as high-quality tourist accommodation, and the increase in the number of new hotels (mainly four and five-stars) is the proof of that.

Following a study done by The World Economic Forum, out of 140 countries, Portugal ranked seventh in “attitude of population toward foreign visitors” and was considered a pleasant country to visit which confirms Portuguese hospitality. Besides that, there are other relevant factors that should be taken into consideration, such as wide variety of cultural offer, namely galleries and museums, castles, natural parks, churches, with Mosteiro dos Jerónimos and Torre de Belém being the most visited places. There are also sports activities, such as surfing with Ericeira being elected the best place; or football, with millions of fans around the world. Another cultural aspect in which Portugal is well-known for is music, ranging from Fado, the traditional Portuguese music, to the major music festivals (NOS Alive and MEO SW).

In respect to Technology, Portugal holds a privileged position when compared to other countries. According to an EY survey about Portugal Attractiveness 2017, Portugal is a leader in performing operations through an Automated teller machine (ATM) network.

Moreover, the study reveals that 99.8% of households have fixed broadband access and, beyond that, almost two thirds have fiber-to-the-premises (FTTP) coverage. As stated by the Global Competitiveness Index Report 2016/2017, in terms of infrastructure, which includes telecommunications, internet access and road infrastructure, Portugal has reached the 22nd position out of 138 countries.

When it comes to legal aspects, as Portugal is a member of the European Union, the laws and legislation are similar to other members and determined by the European Parliament. Belonging to the EU area, mainly due to the Schengen agreement, allows the free movement of people, capital and goods, which is crucial for such large events. Besides that, the European Union strategy aims to create better conditions and promote innovation, research and development. The aim is to achieve a total investment of 3% of GDP by 2020.

Considering the Environmental aspects, Portugal has a privileged position in the southwest coast of Europe, surrounded by the Atlantic Ocean which gives us one of the best climates

among the European countries. Therefore, it is a factor of attraction for the tourists that do not have the opportunity to enjoy such warm weather in their home countries. Moreover, a study done by Luísa Schmit reveals that Portuguese citizens are becoming more concerned about environmental conditions, especially in terms of air pollution, which is considered the biggest concern for 66% for the respondents.

Also, in terms of sustainability, Portugal ranks 7th out of the 28 EU countries in the last report of the European Environmental Agency for usage of renewable energy sources.

Furthermore, Lisbon has already won several awards within the tourism sector which has also placed the city as one of the top destinations around the world. According to the World Travel Awards, Lisbon has been awarded the title of World's Leading City Break Destination several times, in 2009, 2010, 2013 and 2017. Lisbon has also been considered the second best European destination for 2015. This is a worldwide recognition of the city of Lisbon as a destination of preference for tourism around the world.

To sum up, the MICE industry is increasing its significance inside the tourism sector and is considered one of the key drivers for the development of tourism. As Portugal is a Mediterranean country, with nice weather conditions, a long coastline with beautiful beaches and places to visit which makes it an attractive country for leisure tourism. As a result, in the last couple of years, Portugal has tried to use those characteristics to build a position in the MICE industry, bringing more income to the country as well as becoming an important generator of employment and investment. Moreover, it is also a good complement to the leisure tourism because it reduces seasonality and contributes to the growth of the Portuguese economy while at the same time promoting the transfer of knowledge and technology.

Considering all MICE aspects analysed, Portugal should focus on promoting these kinds of events that not only bring more immediate income to the Portuguese economy, but also provide in the long term sustainable growth. For that reason, there is an effort to promote these kinds

of events to make Portugal an attractive destination for MICE events and an important element for this ecosystem.

Web Summit – Description and Evolution

The Web Summit is considered the largest technology, entrepreneurship and innovative conference in Europe. This event first began in 2010, in Dublin, and it is held annually. The aim of this event is - “Let’s connect the technology community with all industries, both old and new” (Web Summit 2018, 1) and “In six short years, Web Summit has grown from 400 attendees to over 60,000 attendees from more than 170 countries. No technology conference has ever grown so large so fast.” (Web Summit 2018, 1)

Web Summit was founded by Paddy Cosgrave, Daire Hickey and David Kelly in 2010, and since then until 2015 the summits took place in Ireland. However, as the event started growing and reaching such a high number of participants and speakers, it became clear that there were not adequate infrastructures available in Ireland to organize it successfully. This was the main reason to expand to another location and to start looking for suitable alternatives.

Lisbon Attractive Factors for the Web Summit

Besides the attractive factors of Lisbon for MICE events mentioned above, there are other ones that are specific for the Web Summit.

The basic requirements needed to welcome such a major event are well-developed infrastructure facilities in terms of buildings, public transport and telecommunications.

Amsterdam, Paris and Lisbon were the main candidates within the shortlist of cities. All these cities showed interest in welcoming this event. During the selection process, the Portuguese entrepreneurs created a movement called - “Let’s bring the Web Summit 2016 to Lisbon”. Soon, more and more stakeholders joined the movement to provide different reasons to choose Lisbon as the destination of this event.

This enthusiasm from the Portuguese Startup community was big enough to reach the founder of the Web Summit and was considered one of the main reasons to bring this event to Lisbon.

The fact that Codacy, a Portuguese Startup, won the Web Summit Pitch Competition in 2014 could also have weighed on the decision to choose Lisbon.

Moreover, another important aspect to be analysed is the cost of living between the three cities that were the main candidates to hold the Web Summit event. According to Mercer cost of living ranking 2017, Paris was the most expensive city among these ones and appears on the ranking, positioned as 62nd among 209 different cities. The second one is Amsterdam on the 85th position. Below them is Lisbon which was considered to be a more affordable city when compared with the other two. This was also an advantage for Lisbon to be the choice of destination for the event.

In terms of infrastructure facilities, the good transport accessibility with a special transportation pass exclusively created for the Web Summit and the conference location with Wi-Fi connection capable to connect 67000 devices at the same time was also an attractive aspect.

Given that such events have a positive impact on the economy, public authorities often offer subsidies to attract such organizations because the estimated impact outperforms the investment made by the government. So, prior to the organization of these events there are negotiations to discuss how much support a certain destination is willing to give in financial and marketing terms. In some countries there are even specific entities to tackle all the issues related to this industry. In the case of Portugal subsidies around 1.3 million euros were provided in 2016 to cover logistics and infrastructure costs. These subsidies came from Turismo Lisboa, Turismo de Portugal e AICEP and represent another attractive factor to bring the event to the city of Lisbon. Portugal also invested in security control, because such kinds of events require tight security given the high number of participants and the high level of speakers. The Portuguese Police (PSP) was responsible for the safety of the event, inspecting all the entrants with metal detectors

and x-ray machines. Security was also extended to other areas with high concentration of people, such as the airport, nightlife areas, and underground transport.

Web Summit – Analysis Web Summits 2016 and 2017

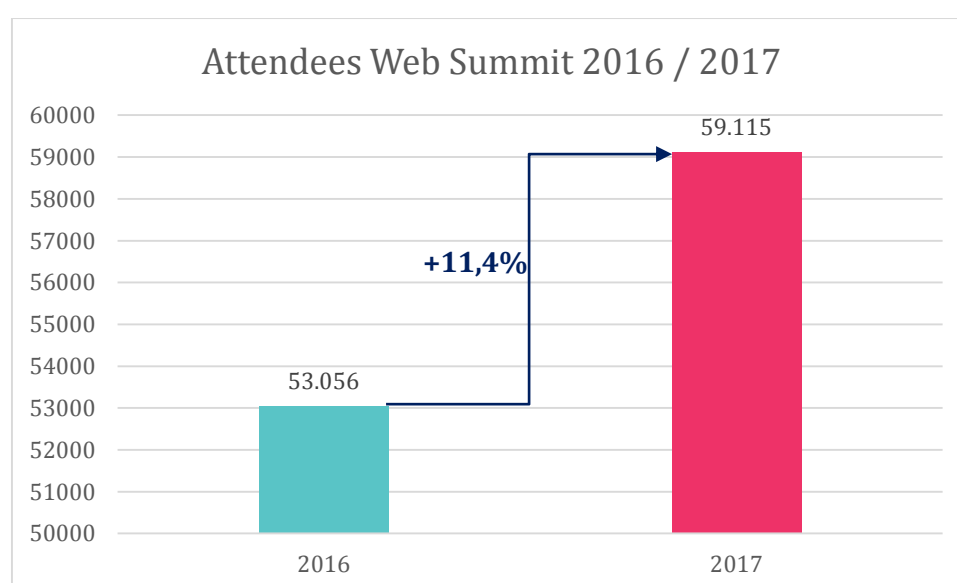
An overall analysis of the web summit event will now be conducted. We will focus firstly on the event in particular and afterwards we will follow two different paths, one will look closely at the impact of this event in the hotel industry and another will focus on its significance for Portuguese startups.

An analysis of some Web Summit KPI's (Key Performance Indicators) regarding different factors such as number of participants, speakers, countries and community of startups involved for 2016 and 2017 will be performed, as well as the comparison of those results and the analysis of its evolution.

Regarding the number of visitors, we can observe in the graph below an increase of 11%, in the number of visitors (from 53000 in 2016 to 59000 on the following year).

These participants came from 170 countries in 2017 instead of 166 in the previous year.

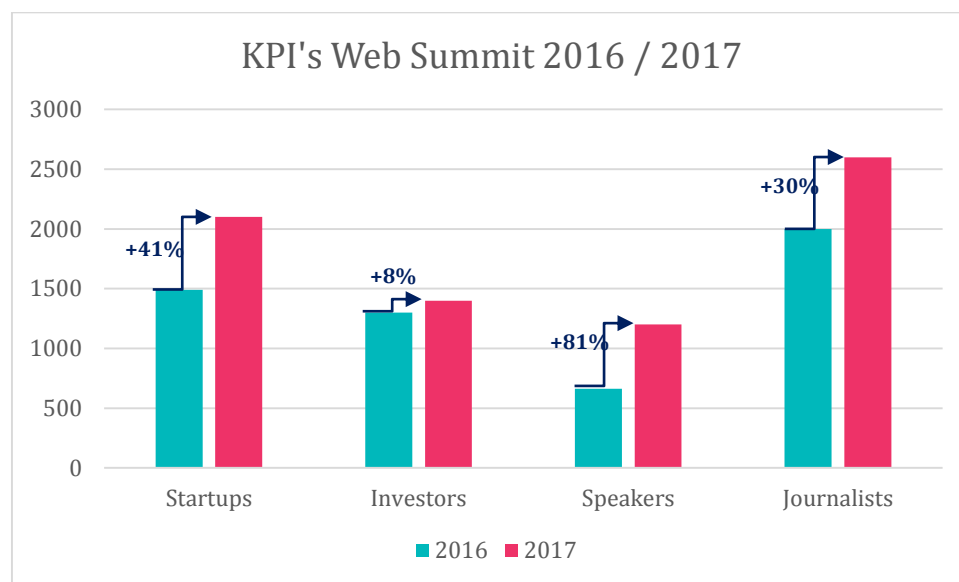
Figure 5 – Attendees Web Summit 2016/2017



Source: Relvas, R. (2016). Economia Online and SapoTek 2017

Analysing the number of startups, investors and speakers it is possible to notice an increase from the web summit in 2016 to 2017. Despite the increase in all parameters, the major changes occurred in the number of startups present, as well as, the number of speakers with a prominent growth rate of 41% and 81%, respectively. Regarding speakers, it is important to highlight the variety of personalities from totally different backgrounds that contribute to enrich the share of knowledge, ranging from tech firms to humanitarian causes.

Figure 6 – KPI's Web Summit 2016/2017



Source: Relvas, R. (2016). Economia Online and SapoTek 2017

Following the data analysed, there is an increase in all socio-economic variables which indicates that, besides being the largest Tech conference in the world, it is still growing in all its dimensions. This positive increase registered from 2016 to 2017 is expected to continue throughout the next years, since the technology sector is still in an initial development stage with high potential of growth. Furthermore, due to the organization's effort to improve the conference from year to year, it is expected to continue to attract thousands of visitors, as well as, a large number of startups and investors. This type of event provides the opportunity for startups to raise brand awareness because they show their products and services in a global

marketplace and they can also reach potential customers and meet new investors that are essential to the startup growth and development.

Empirical Research - Survey Results

For the direct research, an online survey was conducted and randomly delivered through social media. The total sample size was 117 respondents, but only 74 participated on at least one edition of the Web Summit. The following data was collected only from this last group that attended the event. About 35% of those were volunteers and the rest were attendees. Social media proved to be the best channel to become aware of the event (65%), followed by friends (20%). Then, regarding the satisfaction level about several parameters of the event such as, location, quality of speakers, easy access (transport), security and board of startups, most of the respondents were satisfied with all of them. However, the highest satisfaction level was about the quality of the speakers and the location (both 97% were satisfied or very satisfied), followed by security (92% were satisfied or very satisfied), transport and board of startups with 88% and 87%, respectively. Regarding accommodation, 73% of the respondents stayed at the own residence or with friends/family during the days of the event. This number could be biased due to the high percentage of Portuguese nationality in this survey. The motivations to participate in the event were mainly to listen to the speakers, learn more about tech developments and networking, in that order.

Moreover, around 53% will definitely come to the Web Summit 2018. But when asked the same question considering the event to be held in another European city, only 9% answered definitely yes. Nevertheless, 31% replied probably yes, in comparison to 23% in the previous question. Also, when asked about the positive impact of the Web Summit on the Portuguese economy, 99% of the respondents answered yes or probably yes. Finally, over 70% will definitely recommend friends to participate in this event.

Conclusion

Portugal has several attractive factors for MICE events, it was relatively successful on the attraction of these kind of events, nevertheless, as seen in the data previously analysed it attracts several events, but with low attendance figures. So, Portugal should leverage their strengths to appeal to global events such as the Web Summit. Besides that, the events that have already occurred should be part of a learning process to improve future MICE events, because Portugal is becoming an attractive destination and it is important to learn more about MICE events and its direct, indirect and induced impacts for the national economy.

Moreover, as more visitors come to our country, the more word of mouth information is generated (word of mouth effect) about Portuguese local attractions for new visitors, as well as the desire to come back again. Although Web Summit event promotes professional meetings, those visitors can extent their stay at Lisbon or decide to come back out of work commitments, to simply enjoy the city, contributing for both leisure and business tourism.

Section 2. Impact of Web Summit on Portuguese Startups – Jorge Domingues

Startup Definition

First, it is essential to define what a startup is. There is not an agreed definition of the term “Startup”, however different theories complement each other. According to Eric Ries (2011), a startup is “a human institution designed to create a new product or service under conditions of extreme uncertainty”; whereas for Steve Blank (2013), a startup is “a temporary organization designed to search for a repeatable and scalable business model”. Despite the differences, these two definitions reinforce the same idea that startups aim to achieve exponential growth.

Startups are also not only limited to digital businesses, even though many of them belong to that sector. Furthermore, not all new companies are considered startups because some entrepreneurs simply don’t have the required growth mindset.

Eventually a startup will become a scaleup, which is a definition for startups with more than one million dollars in funding and at least one funding round in the last five years (Startup Europe Partnership, 2015), or a unicorn, if the valuation of the startup is over one billion dollars.

Startup Ecosystem

According to Global Startup Ecosystem Report 2017 from Startup Genome, startups at an early stage are the ones which are most dependent of the startup ecosystem, which means that a solid ecosystem can create more successful companies. Also, according to the European Startup Initiative in Startup Heatmap Europe 2016, the quality of the ecosystem is the second highest ranking factor in terms of location choice and only slightly outranked by talent.

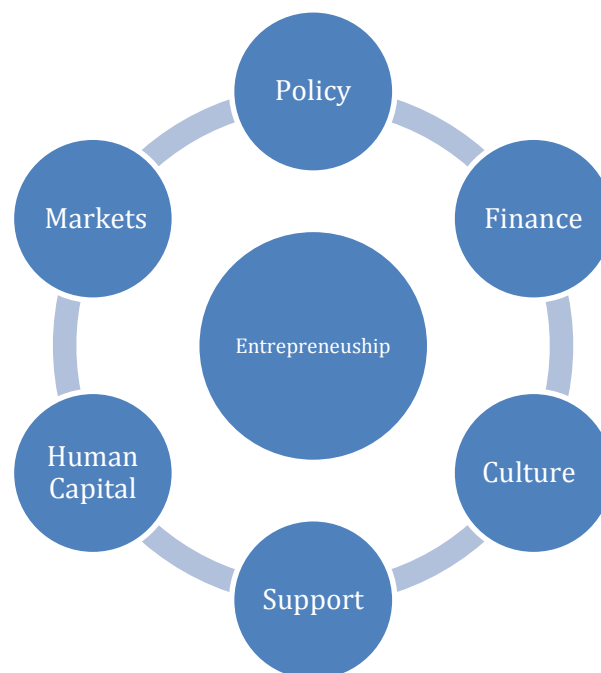
Therefore, the Babson Entrepreneurship Ecosystem Project by Isenberg (2011), which provides important insights about how an ecosystem works will serve as an academic framework for a deeper analysis.

According to Isenberg (2011), in societies where entrepreneurship is self-sustaining and occurs with some regularity, it is possible to observe a complex environment or ecosystem. The author claims that an entrepreneurship ecosystem has numerous elements that can be combined into six domains: Policy, Finance, Culture, Support, Human Capital and Markets.

The interactions between the different elements of the ecosystem is so complex that it is impossible to make any causal relationship among them. However, research claims that no ecosystem evolves successfully when there is an unbalanced development of these elements. For instance, financing startups is useless when mature companies are not willing to get involved with those entrepreneurs.

The author also adds that each society has a unique environment, thus suggesting that each one should “cultivate their own” ecosystem, instead of trying to replicate someone else’s ecosystem (Isenberg 2011, 8).

Figure 7 – Domains of the Entrepreneurship Ecosystem



Source: Isenberg, 2011

All these factors will be analysed using the data of the European Startup Monitor (ESM), which represents 2515 startups.

In terms of **policy**, the ESM has evaluated national policies both in terms of support and understanding of startups ranging from a scale of one (very bad) to six (very good). Portugal scored above average in both indicators, 3.4 versus 2.7 and 3.3 versus 2.7, respectively. Moreover, Startups expect a reduction of regulatory and administrative burden from the policies, as well as, a tax reduction and support regarding raising capital. Looking at the Portuguese policies for startups, the positive result in the ESM could be due to government effort, mainly with the creation of Startup Portugal. This was a program launched in 2016 by the Portuguese treasury as a national public strategy for entrepreneurship with the aim to create a national entrepreneurship ecosystem, attract national and international investors for startups, co-finance startups, promote and accelerate startup growth in foreign markets and implement public measures to support entrepreneurship. Amid those measures is a startup voucher which includes a one-year fellowship which allows young graduate entrepreneurs the possibility to pursue their ventures.

When looking at the **financial** components, while almost 2 out of 10 ESM Startups have already earned half a million euros in annual revenue, only 2 out 100 Portuguese Startups achieve the same figure, placing Portugal in one of the lowest positions. Furthermore, founders' savings is the most frequent source of financing (84.5%). Furthermore, 22.5% of ESM Startups were exclusively financed by savings of founders. In Portugal, 30.9% of Startups used founders' savings as the only source of financing. Moreover, in terms of attracting external capital Portugal is also below the average of ESM Startups (58.6% versus 68.1%).

However, 75% of Portuguese startups plan to raise external capital within the next twelve months in comparison to 70.1% of overall ESM Startups. These financial results reflect how recent the Portuguese ecosystem is. Portuguese startups are still struggling to finance their

businesses and reveal a higher usage of savings and difficulties in order to raise external capital, which is then reflected in their respective growth. All these factors combined could partially explain the huge gap in terms of startups that achieve half a million dollars in revenue for the average of ESM startups.

In the **Culture** domain, Portuguese startups have a lower share of founders from the same country of origin compared to the average ESM Startups. Besides that, many founders have already founded at least one venture. In Portugal, the share of those serial founders is below average (31.3% versus 45.8%). Also, 75% of Portuguese startups were founded by teams, which is similar to the average. Another interesting fact is that more than 80% of founders expect to permanently remain in the company and 63% do not plan to sell the company within the first 10 years after foundation. Additionally, when asked about life satisfaction, which was rated on a scale of one (low) to ten (high), the overall score was 7.3 while in Portugal it was slightly lower at 7.1. A hundred years ago, the Portuguese revealed an entrepreneurship culture when Vasco da Gama discovered the sea route to India; nowadays, at a startup level, Portugal is not at the forefront as it was in the past. The Portuguese ecosystem is still at an early stage, as it can be seen in the lower share of serial founders. Consequently, it can serve as an explanation for the lower score in the life satisfaction of the founders.

The **Support** provided to Startups is another domain of the Entrepreneurial ecosystem. One of the elements analysed by the ESM was the cooperation between startups and established companies, in which almost 80% plans to access markets and customers through cooperation with established companies. In Portugal, 68.7% of startups already cooperate with established enterprises; nevertheless it is still below 73.7% for the overall ESM Startups. The type of cooperation preferred is marketing, research and development, and framework supply agreements, respectively. On the other hand, regarding the cooperation between startups, Portugal is positioned above the overall score in terms of percentage of startups with other

startups (64.3% versus 57.5%). The type of cooperation preferred is very similar to the one with established companies, the only difference is the co-working space/office sharing the third position.

Finally, in terms of challenges, the top three are sales/customer acquisition, product development, and growth. Portugal provides support for the startup community through a national network of incubators and accelerators with over 130 entities where startups can develop their business models and cutting-edge technologies. Also, the startups that are not incubated have more than double probability of failure when compared with others (Fiúza 2008). This network promotes contacts between different startups, which is reflected in a higher score for this metric than average. However, the result is not so promising when it comes to cooperation with established companies.

Concerning **Human Capital**, on average, a Portuguese startup has 5.1 employees and 2.4 founders, whereas in the case of ESM Startups the average of employees is 9.5 and founders 2.5. Most workforce is from the same country, 70.9% overall and 88.8% in Portugal. In terms of recruiting plans for the next twelve months, Portugal is also below average with only 4.3 new employees in comparison to 5.8 of overall startups. Another analysed element was the management team, 81.1% of managing directors of Portuguese startups are male similar to 83% of ESM Startups. This figure is also similar to the overall share of male founders, 85.2% and to 83.3% Portuguese startups male founders. Moreover, most startups (96%) opt to use a flat hierarchy scheme with no more than three levels. A possible explanation to the outcome presented is how new the Portuguese ecosystem is, though it is important to bear in mind that Portuguese enterprises are the smallest ones in the EU with only 3.3 employees on average (Pordata 2015). Despite the negative result when compared to other startups, if the comparison term were Portuguese enterprises, it would be positive.

Finally, from the **markets** point of view, most Portuguese ventures are part of IT/software development industry (15%) and address above all the B2B. In the same report, Portugal is one of the countries which is very focused on B2B users. Additionally, looking at the overall ESM Startups, more than half of them claim their products represent an international market innovation and the majority of revenue generated comes from outside their domestic markets. Although in Portugal the revenue generated in the domestic market accounted for 50.8%, in terms of current markets and internationalization plans, Portuguese startups reveal a more international mindset with 62% currently outside the domestic market and 84.9% planning to go abroad, in comparison to 55.2% and 77.7%, respectively. The favoured strategies to internationalize are through export (38.7%) and partnership with a local company (24.5%). The top challenges faced when startups move abroad include differences in legislation and regulations (30.3%), adaptation to local customers' preferences (18.8%) and differences in tax systems (16.1%). It is no surprise that startups reveal intentions to internationalize, given that a startup is a company that aims to achieve exponential growth. The higher figure of Portuguese startups that has internationalization plans could be explained by the small size of the domestic market, meaning that the number of potential customers is scarce and, consequently, international expansion should be done almost from the start. Also, most of the revenue generated in the Portuguese market could indicate that the majority of ventures are in early development stages and despite still evolving nationally are planning to scale globally.

In conclusion, the Portuguese ecosystem is still lagging in most of the domains in comparison with the other European countries. Portugal struggles the most in terms of human and financial capital. The highest gaps when comparing to the average ESM Startups were in the number of startups which have already earned half a million euros in annual revenue and in the average number of employees per startup.

The reason for these numbers could be due to the size of the Portuguese ecosystem and the corresponding startups. According to George Foster (2015), the 10% best-performance startups provide approximately 80% of job creation and gross revenue. Besides that, according to Startup Genome 2018, the production of scaleups is positively correlated with the size of the ecosystem. Portugal ranked fifteenth in the European scaleup ecosystem with only 67 scaleups and \$350 million dollars in capital raised (Startup Europe Partnership, 2017).

Nevertheless, it is important to emphasize the political effort in order to develop a favourable environment for startups, which is reflected in the government's policy, with Portugal scoring higher than its European peers.

Looking at the Ecosystem Lifecycle Model presented in the 2017 Global Startup Ecosystem Report by Startup Genome, it is possible to see the different evolution phases namely, activation, globalization, expansion and integration phase. As the startup experience increases, the higher the resource attraction and the higher the rate of exits, unicorns and early-stage success. Portugal is currently in the globalization phase in which the main objective is to “foster connections with global ecosystems, so local startups can develop world-leading startups and unicorns” (Global Startup Ecosystem Report 2017, page 15).

Despite the early stage of the Portuguese ecosystem, the European Startup Initiative in Startup Heatmap Europe 2016 considered Lisbon the fifth best performing startup ecosystem in Europe.

Role of Technological Summits

Technological conferences, such as the Web Summit, aim to bring together the different stakeholders of the industry to create and explore new links among them. These global events propitiate an environment to encourage as many connections as possible between these stakeholders (investors, startups, customers or others).

According to Dane Stangler (2017), Lisbon startups were more able to build global connections because Web Summit took place in their hometown.

Startup Genome has captured this impact in the Global Connectedness assessment metric and has found out that it is highly correlated with global market reach, early stage funding and overall ecosystem performance. Thus, Portuguese startups can sell to foreign markets outside Europe at a higher rate (roughly 50%) than the global median, Dane Stangler (2017). Additionally, more sales lead to more growth and a high level of global market reach generates even faster growth. When comparing two groups of startups, those with less 50% foreign customers and the remaining ones with more international customers, Startup Genome concluded that the last group grew twice as fast.

Given that the largest tech summit was held in Portugal, Portuguese founders have had the advantage of expanding their network of connections without travelling abroad, which helps to explain the high rate of connections made locally (three times higher in Lisbon than the global median). Thus, Portuguese startups can easily sell in foreign markets, boosting startup growth and improving the ecosystem performance.

Lisbon as a tech startup hub

Despite the success of the global connectedness and global market reach in the Portuguese startups, where the Web Summit played a key role, it is important to stress all the elements that were present in the ecosystem and that have contributed to this impact. Previously, the main domains of the Portuguese ecosystem were addressed, although it should be taken into account that the ecosystem is not homogeneous throughout the country. The main technological hubs are located in Lisbon and Porto, with the capital being the central one.

In 2011, Lisbon started to promote an entrepreneurship ecosystem with a network of incubators, accelerators, FabLabs and Makers Spaces, coworking spaces, as well as, a

community of business angels and venture capitalists. The Lisbon incubator network comprises 13 incubators namely, Beta-i, Startup Lisboa, INOVISA, EDP Starter, TEC LABS, and accelerators such as Fábrica de Startups or Deloitte Digital Disruptors. Regarding Fab Labs, Lisbon has the Fab Lab EDP, AltLab and Vitruvius FabLab – ISCTE-IUL. There are also numerous coworking spaces, such as Main Hub, MyCoWorkSPACE or Lisboabiz. In terms of venture capital companies, there are several players such as Portugal Ventures, Caixa Capital or Sonae IM. Additionally, Lisbon also has a community of business angels with Busy Angels, Brains2Market or Seed Capital. In addition, both the Lisbon municipality and the government were vital in the creation and development of the strong and vibrant ecosystem we have today.

Different Growth Stages

As startups are highly focused on growth, it is essential to identify the different growth stages. Those startups that want to participate in Web Summit are classified according to a certain growth category, in terms of the company size and revenue. Thus, there are 3 distinct stages: ALPHA, BETA and GROWTH. ALPHA is the early-stage startup track, generally composed by one or two-year-old companies and with a working prototype. ALPHA is designed to give young companies diverse access to media, investors, potential customers and advisors that can take their business to the next level. ALPHA attendees are typically pre-seed or seed stage companies with disruptive product offerings ready to launch. BETA represents the most promising of those early-stage startups and also hosts returning startups.

GROWTH is the growth-stage track at Web Summit. This ultimate stage is a tailored experience designed specifically for the top-tier startups and focused on high-level networking.

Road2WebSummit

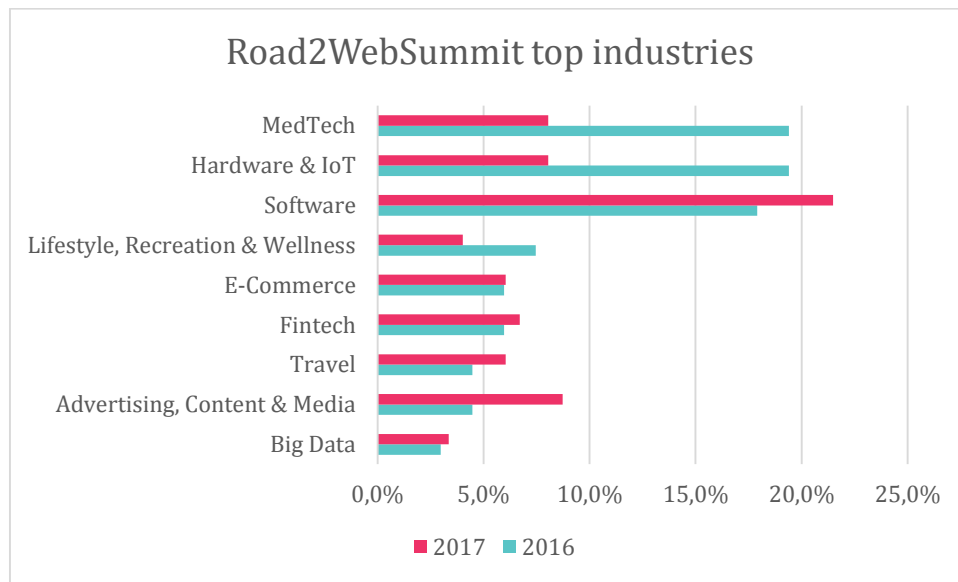
This research aims to observe the impact of the Web Summit on the Portuguese startups, but as the organization of the event didn't divulge the list of startups present, the focus was on the startups that joined the event through the Road2WebSummit campaign in 2016 and 2017.

The Road2WebSummit program included an exhibition stand, four tickets for the Web Summit and access to Pitch Tracks, Investor Office Hours, Mentor Hours, Startup University, Startup Workshops and Startup Roundtables. In 2016, 67 startups were fully subsidized to participate in the event, whereas in the 2017 campaign 150 startups got a 50% grant to access the technology conference. Besides that, for the most recent campaign startups in early stages of development (Alpha stage) were only considered and the awarded startups enjoyed a boot camp of two days prior to Web Summit, to prepare to take as much value added as possible from the event.

The startups in the event were divided by the Web Summit organization into 22 distinct industries: Advertising, Content & Media, Big Data, eCommerce, Education, Energy & Resources, Enterprise, Entertainment, Environmental & Clean Tech, Fashion, Fintech, Gaming & VR, Hardware & IoT, HR & Recruitment, Legal & Accounting, Lifestyle, Recreation & Wellness, MedTech, Philanthropy & Social Good, Security, Social, Software, Sport & Fitness, Travel.

The graph below shows which industries were assigned most startups who benefited from this campaign. In 2016, MedTech was the industry with more startups whilst in 2017 it was the Software industry, with more than 20% of the Road2WebSummit startups.

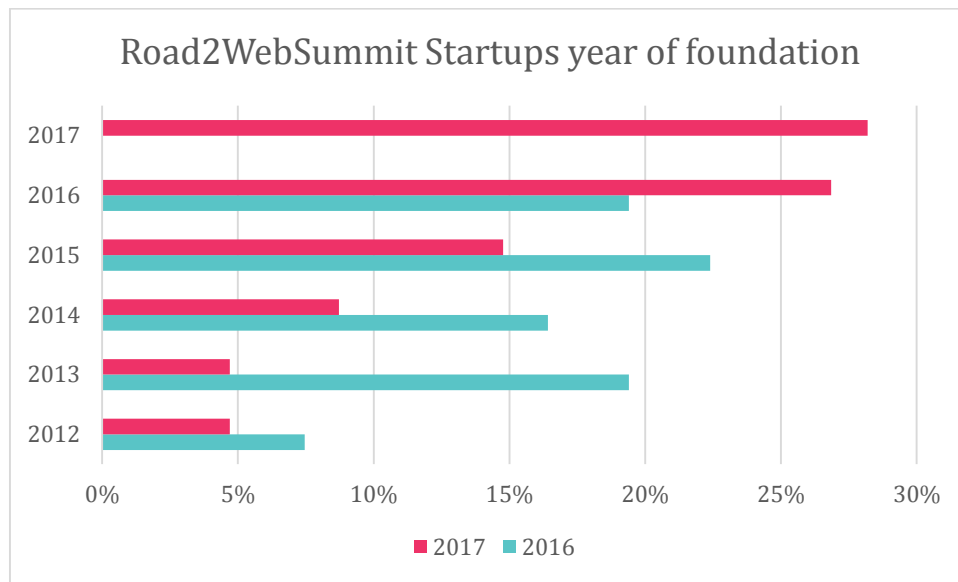
Figure 8 – Road2WebSummit top industries



Source: Primary data, companies' website, LinkedIn and Crunchbase

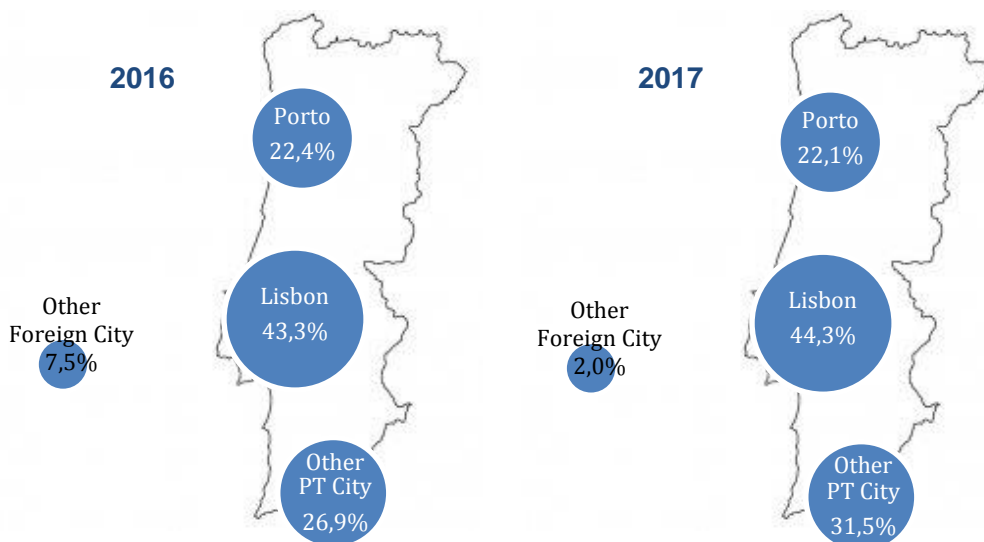
Also, among the startups that were part of the Road2WebSummit program, it is clearly seen that in the last edition of the tech conference, the startups were more recent than the ones in the first edition. Looking at the percentage of startups with less than 2 years since their foundation at the time of the conference, in 2016 there were 42%, while in 2015 the number increased to 55%. The reason could be found in the different requirements for the Road2WebSummit from 2016 to 2017. In the most recent edition candidates in the alpha stage were only allowed, whereas for the first one there weren't any restrictions.

Figure 9 – Road2WebSummit Startups year of foundation



Source: Primary data, companies' website, LinkedIn and Crunchbase

Figure 10 - Map comparison for startup location



Source: Primary data, companies' website, LinkedIn and Crunchbase

In terms of location, as the incubators of startups are in universities or companies (Fiúza, 2017), most startups are situated in metropolitan areas. So, as predictable, Lisbon is the top choice location, followed by Porto. Also, there seems to be a correlation between location and startup industry. For example, most startups from Coimbra are in the MedTech industry, which is a

city known for its healthcare industry. In Lisbon or Porto, the effect is not seen in the data collected because of the diversity of science fields in universities, incubators and also a more diversified industrial tissue.

In comparison to both editions, the main difference in terms of location was in the percentage of startups with headquarters abroad. Those dual companies, startups that were born in Portugal but decided to move the headquarters abroad while keeping relevant operations in the home country (Startup Europe Partnership, 2017) were more present in the first edition because usually those firms are already in later development stages.

Empirical data

In order to measure the impact that the Web Summit had on the Portuguese startups, a survey to all the startups of the Road2WebSummit campaign in 2016 and 2017 was conducted. The survey was conducted using the Nova Qualtrics platform and was distributed via e-mail with an anonymous hyperlink to all the participants in the campaign. Out of the 217 startups, only 18 responded, representing around 8% of the response rate, which is not statistically significant meaning that the answers can only be analysed qualitatively.

In the survey, the respondents had as main objectives for the event financing (investors), networking, and raise awareness. When asked about the expectations for the chosen objectives, financing was the most disappointing with almost 30% of respondents classifying it as below expectations and more than 20% as slightly below. In terms of networking and raising awareness the results were similar to the expectations. The negative result in terms of financing could be explained by the early stage of the startups, because in those stages the funding is usually assured by local funds such as Beta-i, Faber or Portugal Ventures (Butcher, 2017). Traditional venture capital firms generally act in later investment rounds and not in pre-seed or seed stages.

In terms of the information provided by the 18 respondents, the average number of connections during Web Summit was 44 with a standard deviation of 40, whereas the total number of connections in 2017 was 125 with a standard deviation of 119. In relation to the ability of the Web Summit to create an amazing atmosphere that facilitated the connections among the different stakeholders, there was no consensus in the answers, which corroborates the previous numbers with high amplitude of answers.

To the question, if the startup would be present in the case of not being qualified for the Road2WebSummit, there is almost a homogenous distribution of answers showing that the ticket price of around 1000€ (Frias, 2017) is not worth the participation for many of the startups. Considering that 15 out of 18 respondents were in the Alpha stage, it is an already identified issue in those early stage startups, the cost is the top factor not to participate in the event (Griffith, 2017). The intention to join the event if it had been held in another European country is even lower, according to the 18 survey respondents.

Conclusion and limitations

The main limitation of the survey was the low rate of answers that resulted in the variety of results which makes it impossible to infer conclusions on any specific metric. Furthermore, throughout the survey, no metric in terms of customers or sales was considered, which could influence the results mainly in terms of the objectives. The list of objectives was based on general information, instead of official information from associations or ministries due to the lack of response.

Another limitation could be the fact that direct interviews to startups or incubators were not conducted, which could provide more qualitative data.

Also, the impact of the Web Summit in the creation of new startups could not be done due to the lack of information. So, the research was always directed to the benefits of the technology conference in terms of the development of existing startups.

Despite all the limitations, some useful insights were provided which can complement the secondary data and can also be used for future research projects. As previously seen, Portuguese startups are below average in terms of raising external capital and listed financing as one of the top priorities, but the expectation was defrauded, revealing the difficulty to fund early stage businesses.

Considering the information of the 18 answers, other objectives, such as, raising awareness and networking were considered below the expectations of the participants contrary to what was announced by social media (Marcela et al. 2017).

The ecosystem is so fundamental to startups development that probably without its previous existence the impact of the Web Summit would be smaller than it was, although it was not possible to measure it. Considering the young age of the ecosystem, the Web Summit is a major step for Portugal in order to be in the list of the most innovative countries, promoting connections between Portuguese startups and worldwide innovation, both in terms of internationalization of Portuguese startups, as well as, attraction of foreign startups and investors. Nevertheless, the current impact does not seem significant for startups based on the intentions to attend the event in case of not being qualified to the Road2WebSummit campaign. Additionally, according to an interview of the former president of AICEP in 2016 (Baldaia e Reis, 2016), the induced impact is more important than the direct impact, however it cannot be measured because the connections which have occurred in the conference will eventually result in future business, partnerships or investment rounds.

Section 3. Impact of Web Summit on the Hospitality Industry – Mariana Nunes

Introduction: The Hospitality Industry

For the purpose of this research, it becomes relevant to define and analyse the hospitality sector, namely the accommodation, which is an important sector of tourism and enables tourists to stay at a destination for a certain period of time. “Hospitality is the very essence of tourism, involving the consumption of food, drink and accommodation in an environment away from the normal home base.” And “accommodation provides the base from which tourists can engage in the process of staying at a destination.” (Page 2011, page 152) There are various different forms of accommodation, but the most common among all of them are hotels, that not only provide the basic requirements (to stay overnight) “but also add value to the experience by providing ancillary services and products.”(Page 2011, page 154)

First of all, hotels are a sector made of personal services, which means that it is a labour-intensive sector, supplying job opportunities to a large variety of roles, from attendants, to cleaners, cooks, hairdressers, or any other kind of welfare supporters. So, it increases the employment levels in any national economy and it provides wages, which surely has a multiplier effect on the level of the economic activity.

Secondly, if hotels can attract foreign visitors, as it is the case of the Web-Summit event, they contribute for large inflows of capital in the national economy, with great benefits for the balance of payments.

Thirdly, the hotel sector has strong forward linkages to promote business diversification and increased profitability. It is much related with the development of many other national economic sectors, from travelling agencies to transport, from the civil construction of the hotel buildings to food supply networks, from cultural events to banking and finance. All of these aspects illustrate the economic potential effects of world events such as the two Web Summit events that had place in Lisbon.

As this issue is far too vast for an individual study, I will focus my Master's Dissertation in "The impact of the web-Summit on the Portuguese hotel sector". After an introduction from a macroeconomic perspective that will focus on the growth of tourism globally and in Portugal, the effects of the Web Summit demand for accommodation in Portuguese hotels will be firstly described and then verified with both daily data from *Turismo de Portugal* and an interview to one of the main Lisbon hotel chains.

Introduction: Tourism: Definition and Evolution in the last years

For a better understanding of the context of this research, I would like to define the concept of tourism and outline its evolution throughout the last years. There is no single definition of tourism, but according to Weaver and Lawton (2010, page 2) "Tourism maybe defined as the sum of processes, activities, and outcomes arising from the relationship and interactions among tourists, tourism suppliers and surrounding environments that are involved in the attracting transporting and hosting and management of tourists and other visitors." Tourism is a growing sector, According to Vanhove (2011, page 17), "tourism became one of the most important and rapidly growing sectors in the world economy". Moreover, tourism has recorded a "billion trips taken annually and it is forecast that this will expand to 1.6 billion by 2020". (Holloway, & Humphreys, 2012, page 3)

Data released by Statista (2017) shows that this sector has been experiencing a steady increase, with special emphasis in the last years in particular in Europe and Asia Pacific. (See Appendix V, figure 46) In contrast to this trend, it is important to highlight the year of 2008 and 2009, when there was a decline of the number of tourist arrivals worldwide, mainly due to the financial and economic crisis that severely affected the whole world and that had consequences that are also remarkable in the number of tourist's arrivals worldwide.

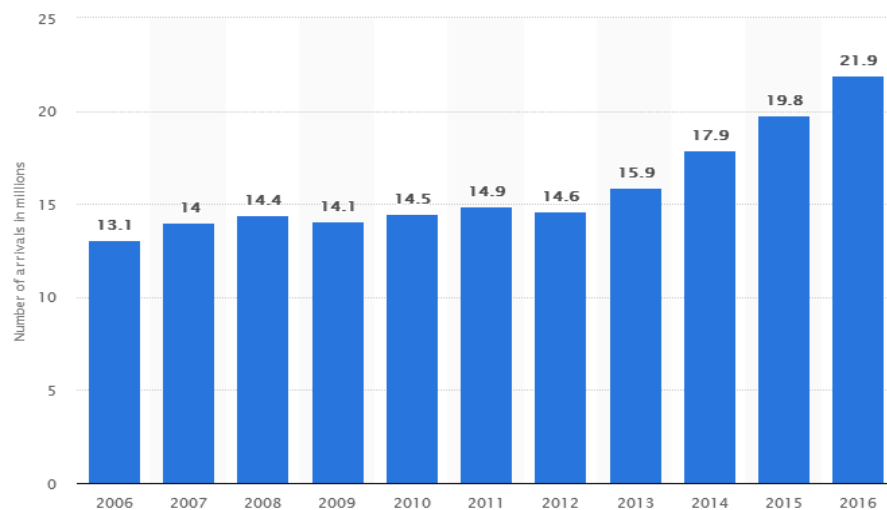
As the GDP per capita increases in many countries, leisure has become a very important choice for consumers. People allocate their revenue to visit other regions for the sake of pleasure. Some people prefer health tourism look for spas and pure air for breathing. Others prefer cultural tourism and visiting monuments, or regions with evidence on the past. Many others prefer exotic climates (such as snowy places) or exotic landscapes (namely, beaches, tropical forests, or deserts). Nevertheless, the preference for business tourism is quite different, as it combines professional interest and amusement (as in the case of the Web-Summit). In all cases the tourism cluster includes international travel agencies, airlines, hotel chains, and restaurants.

Tourism in Portugal

The interest in Lisbon and Portugal has increased worldwide in a very significant way in the last years. In this research, it is important to analyse the tourism sector in Portugal and its contribution to the Portuguese economy. According to data released by the National Statistical Institute (INE2016), the importance of tourism on the national economy is increasing.” In 2016, tourism generated nearly 11.5 billion euros, which represented more than 7% of the gross domestic product (GDP) generated by the economy as a whole in that particular year. According to Relvas, (2017) tourists strongly contribute to the growth of GDP as they are also spending more money. Last year, tourist consumption exceeded 23 billion euros, equivalent to more than 12% of the country's gross domestic product (GDP).” Thus, tourism is considered to be a crucial factor for the development and growth of the Portuguese economy and one of the main drivers for the recovery of the economy after the financial crisis. Most recent data from Statista has demonstrated that tourism, in Portugal has been constantly increasing, despite some exceptions, notably in 2009 and 2012. The increase in the number of tourist arrivals has been more significant in the last years. Between 2015 and 2016 it grew 10.6% and this number is expected to continue growing in the next few years.

The reasons for this may be related with changes in touristic preferences which might have to do with geopolitical aspects. On the one hand, some preferred destinations became dangerous warring regions. On the other hand, terrorism has affected some European countries. Preferences have privileged continental Portugal and the Atlantic islands. (Graph 2 quantifies tourist arrivals at accommodation establishments in Portugal).

Figure 11 –Number of arrivals in tourist accommodation in Portugal from 2006 to 2016 (in millions)



Source: UNWTO: Statista (2017)

Furthermore, Portugal has been investing in the tourism sector, in the creation and development of new hotels. As stated by Murgeira (2018) the year of 2017 was a good year for the tourism sector in Portugal, thus maintaining this positive trend which began in 2014. The consulting company Cushman & Wakefield (2018) relates the good results in the hotel sector with the expansion of supply, which has occurred in the recent years. According to Cushman & Wakefield's perspective, the opening of 115 hotel units with more than 9,500 new rooms by 2019, among which 71% are four and five-star hotels. Lisbon and Porto will be the preferred locations. Hotel construction is considered an investment for the luxury tourism sector that has been growing all over the world. In Portugal, in 2018, the region of Lisbon and Porto will be

the areas that will continue to receive the majority of projects - 60 new units and 5,300 new rooms.” (Murgeira, R (2018, Jornal de Negócios.))

Following a report from the INE (2017), “the hospitality industry, in Portugal, registered 17.95 million guests and 51.4 million overnight stays. Residents' overnight stays (14.2 million) grew by 6.3% (+ 5.7% in 2015) and foreigners (37.2 million) increased by 12.1% (7.5% in 2015)” which clearly shows that the highest growth rate occurred with foreign visitors and represents most of the overnight stays in Portuguese hotels (37.2 million vs 14.2 million) which demonstrates that Portugal is an attractive and valued destination worldwide.

The two Lisbon Web-Summit events of 2016 and 2017

Two world Web Summit events have already taken place in Lisbon, in November 2016 and November 2017, respectively, and there are plans for future events to occur until 2020. These events have brought to Lisbon a large number of participants that have come from all over the world, totalizing 170 different countries. Both web summit events have taken place in the most fashionable quarter of the Portuguese capital-city - *Parque das Nações*- a label that derived from the renovation works of the Eastern industrialized ring of Lisbon in the early 1990s for the purpose of the 1998 World Exhibition and the 500th anniversary of the Portuguese Discoveries. Similarly a wave of foreign visitors (60.000 attendees from 170 different countries, namely France, Germany and Ireland) came to the Portuguese capital city during the month of November (2016 and 2017). The same happened with Portuguese people who flocked from all the Portuguese territory (from Minho to the Algarve, and from Madeira to the islands of Azores).

The importance of this event, advertised worldwide, as well as, in the Portuguese media, created great enthusiasm among young starter-ups, because it was seen as an opportunity to get funding and supporters for their dream future businesses. These new businesses which had

been carefully planned were very hopeful in their own perspectives for success to be launched as start-ups, and this meant a huge inflow of young people in search of a financial channel for their entrepreneurial aspirations and abilities.

The opportunity of having contact with so many other applicants from all over the world, and the possibility of discovering partners for their dream start-ups were great motivations to attend the event, in spite of the enrolment fee and the associated costs for hotel accommodation. Of course, investors of web technology see the event as a promising fair of innovative technologies or business ideas, ideal to invest capital and diversify investment, sometimes with relatively low-level needs in terms of the required funding for starting-up. This attendance means that wealthy people came to Lisbon with the purpose to match the demand/supply market of business ideas, against the demand/supply market of capital associated with them for future businesses.

The event lasted for some days, which, in many cases, allowed participants to extend touristic visits, which are well documented in the statistics on the level of the occupancy rate of hotels in the city of Lisbon during the days of the event. This will be analysed later. Moreover, as previously mentioned, this is proved in our survey, which reveals that most of the respondents answered that they had stayed more than 5 nights in Lisbon.

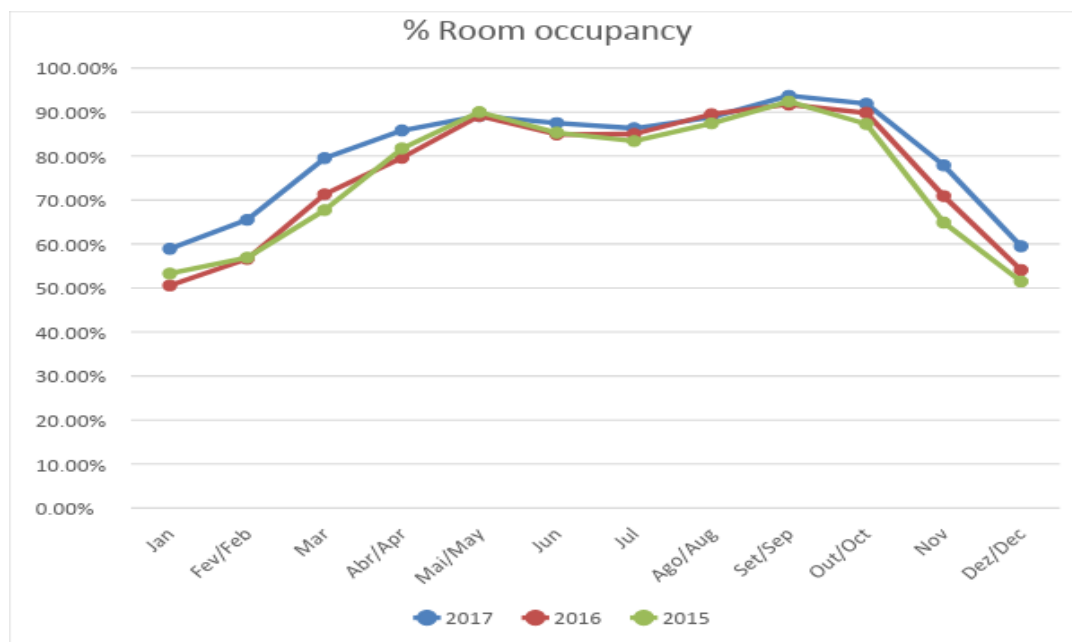
The quantitative methodological approach to describe the effects of the Web Summit demand for accommodation in Portuguese hotels on 2016 and 2017

In order to better understand the impact of the Web Summit event, which took place twice in Portugal (in November 2016 and November 2017), quantitative information is required in order to use an objective methodology for the appraisal. As a result, seasonal aspects were omitted and a comparative approach was used to analyse what happened in the months of November in the last five years, in order to illustrate the Web-Summit effects on the Portuguese hotels.

Considering the data that will be analysed later on this research, we have to recognize that the direct impact of the web summit on the hospitality business may be inflated, since the increase in the occupancy rate of the hotels is not only caused by the web summit event, but also by the growth rate of tourism, which could be consider 3% (growth rate in the occupancy rate in national hotels from 2016 to 2017)

According to the monthly dataset collected from *Turismo de Portugal* (2017), we can observe in the graph below the percentage of room occupancy, monthly from 2015 to 2017, and we can conclude that, in November, there was a consistent increase from 2015 to 2016 and from 2016 to 2017.

Figure 12 – Rate of occupation in Portuguese hotels, monthly from 2015, 2016 and 2017



Source: Turismo de Portugal (20017)

According to the monthly dataset collected from *Turismo de Portugal*, the two years of the Web Summit, 2016 and 2017, showed the highest rates of occupancy in hotels in Portugal for the month of November, which was the month when the event had taken place.

This happened not only for the entire number of hotels, whatever their classification or level of comfort, but also for each one of the three categories into which they are classified:

Figure 13 – Room Occupancy Rate in Portuguese hotels, for the month of November in 2013, 2014, 2015, 2016 and 2017.

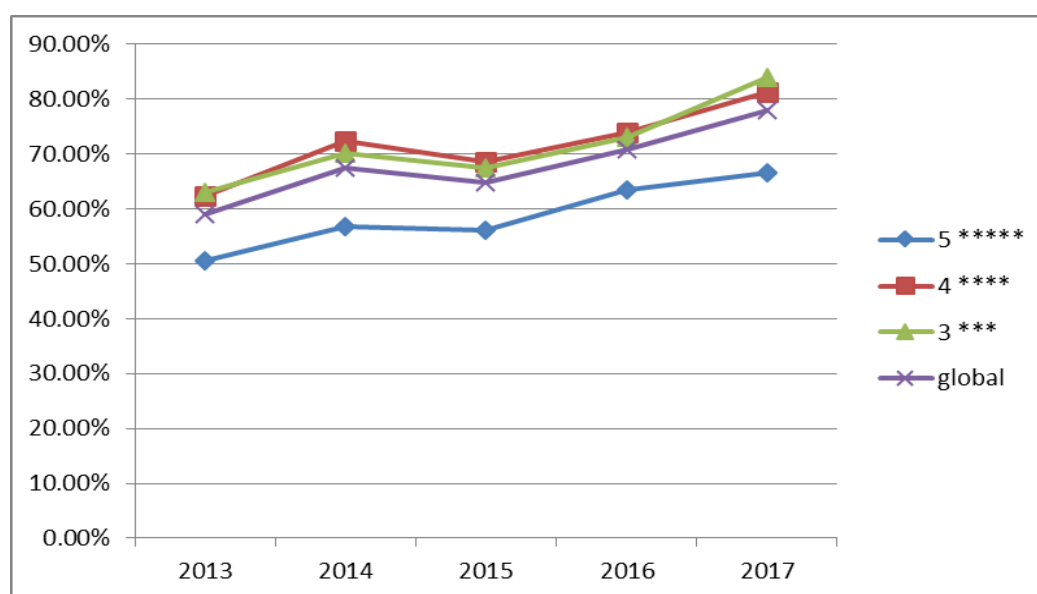
Room Occupancy Rate (%)	2013	2014	2015	2016	2017
5 *****	50.60%	56.80%	56.20%	63.50%	66.70%
4 ****	62.30%	72.30%	68.50%	73.90%	81.20%
3 ***	63.00%	70.10%	67.40%	73.10%	83.90%
Global	59.10%	67.60%	64.90%	70.90%	77.90%

Source: Turismo de Portugal (2017)

Some relevant points taken from the table above:

- A) The global November average occupancy rates for Portuguese hotels reached 70.9% in 2016, and almost 78% in 2017, while it was about 66% in the two preceding years and below 60% in 2013;
- B) Three-star hotels were above the levels of the entire set of Portuguese hotels analysed. As they are the cheapest, their November average occupancy rate was 73% in 2016 and almost 84% in 2017, while in the preceding years it varied between 63% (in 2013) and 70% in (2014);
- C) Curiously, the 4-star hotels were equally preferred to the three-star ones (the relative increase from the previous years until then was also very impressive, as it increased from 62% in 2013 to 81% in 2017).
- D) Finally, five-star hotels, which typically accommodate the capital suppliers and are in general more expensive reached average occupancy rates for the month of November that were above 63% in 2016, and almost 67% in 2017, despite only experiencing levels below 57% in the preceding years.

Figure 14 –Occupancy rate in Portuguese hotels, for the month of November in 2013 2014, 2015, 2016 and 2017.



Source: *Turismo de Portugal* (2017)

Such an increase in the average occupancy levels indicates a pressure in demand because, in spite of the construction of new hotels of any kind of comfort during the analysed period, the average occupancy rates have increased. It is a relative measure but it demonstrates that the impact of the event was impressive and had a truly positive impact on the hospitality industry. The proof is the impact of such a demand pressure on pricing for hotel services in Portugal. Prices in most of the world capital cities are higher and they have increased significantly in the last years, but particularly in the two last years.

As Table 2 below shows, the average price of Portuguese hotel accommodation in November increased significantly, both in 2016 and 2017, the two years of the Web summit in Lisbon. It was below 75 euros per day, and it went above 90 in 2016, almost reaching 100 in 2017. This increase happened for hotels of all levels of comfort, ranging from three to the four and five-star ratings. In the years of the Web Summit the average price per night in three-star hotels was above 60 euros whereas before it had been below 50 euros.

In four-star hotels it was above 75 euros per night in the years of the Web Summit despite before not having reached 63 euros. In the case of five-star hotels it was 165 euros in 2017 and below 125 euros before 2016.

Figure 15-Average price per room in Portuguese hotels, for the month of November in 2013, 2014, 2015, 2016 and 2017.

Price per room sold (Average)	2013	2014	2015	2016	2017
5 *****	114.68 €	118.89 €	123.96 €	148.35 €	164.98 €
4 ****	59.43 €	60.74 €	62.48 €	76.14 €	83.63 €
3 ***	41.52 €	46.05 €	49.77 €	60.25 €	62.81 €
global	69.42 €	71.64 €	74.88 €	91.06 €	97.71 €

Source: Turismo de Portugal (2017)

Thus, thanks to this methodological approach we were able to conclude that in November, there had been an increase in the occupancy rate, especially in the last two years (Table 1). This was also reflected in the average price per room which grew significantly in the last two years (particularly in four and five-star hotels.)

Positive impact on hospitality on those specific days of the event in 2016 and 2017

After comparing different sources of information and contacting directly news authors, it can be concluded that the occupancy rate of hotels in the city of Lisbon on those specific days of the event was expected to be 88% and an average price of 145€ per night (Lusa (2017)), which is considerably higher than the usual occupancy rate for that period (68% - an average of the occupancy rate for the months of November from 2012 to 2017).

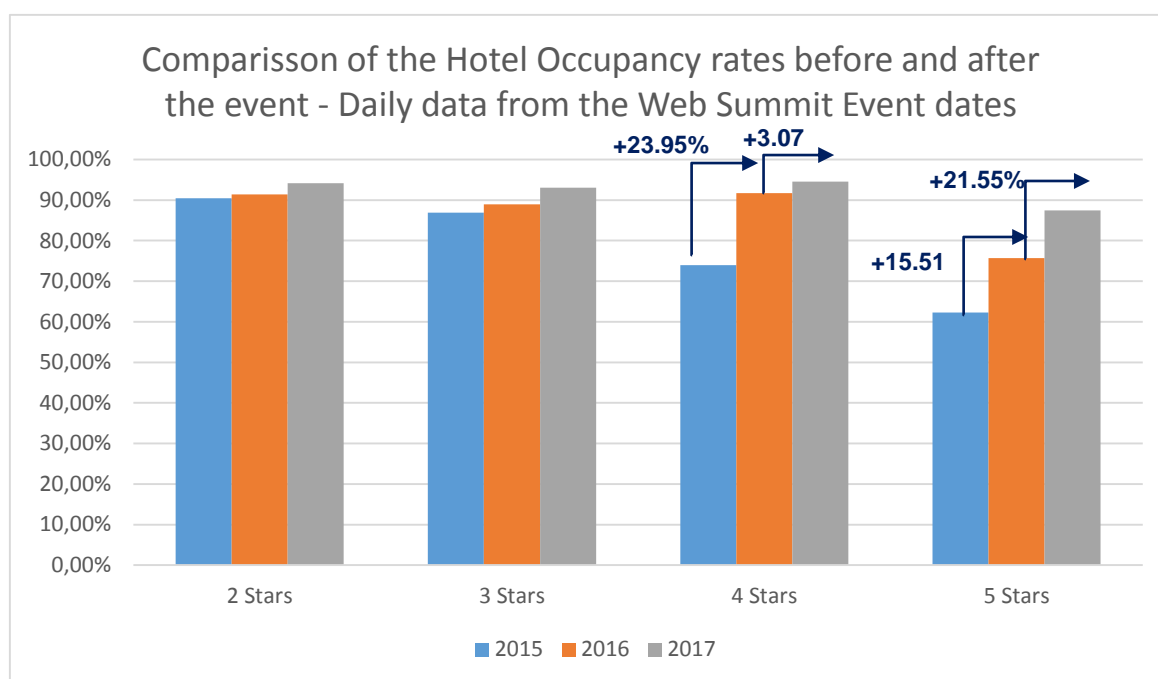
The number of the real impact of this event is very difficult to estimate, but according to Ledo (2017) data provided by the Tourism Association of Portugal (ATL), it can be seen that the hospitality sector registered an extra 9.3 million euros in its income, than if that month had been in accordance with the pattern recorded in the remaining months of 2016. So, for the following year of 2017, considering a growth rate of 11% (growth rate of the number of visitors registered from web summit 2016 to 2017) we can reach an expected number of 10.3 million euros more than what would be expected for that time if the event has not occurred. This estimation is only an approximation and it was based on the growth rate of the attendees of the event from 2016 to 2017.

Moreover, Airbnb a platform that has grown fast in recent years, especially among the younger generation registered approximately 15 000 reservations which accounts for 2.8 million Euros. (Web summit 2017)

Thus, in order to confirm those numbers, various associations were contacted, namely *Turismo de Portugal* who made the data from the days of the events (2016 and 2017) available and to whom I am really grateful for their collaboration.

This information shown in the graph below, reveals that the occupancy rates for those dates were superior to what is was expected at that time. When calculating the average occupancy rates for the months of November from 2013 to 2017 we get an average of 68.08%, which could be considered a normal occupancy rate for that period. Regarding the occupancy rates for the days of the event, according to daily statistics, the dataset collected from *Turismo de Portugal* it shows that the rate of room occupancy were actually very high when compared to the average of that season (68%) and could even reach or go beyond 90% in two, three and four-star hotels.

Figure 16 -Hotels Occupancy rate during the Web Summit Event dates 2015, 2016 and 2017



Source: *Turismo de Portugal* (2017)

It is important to mention that from 2015 to 2016, the highest increase was observed in the 4-star and 5-star hotels category, the first one with a growth rate of 23.95% from 2015 to 2016, but in the following year this growth was practically residual of only 3%, while in the five-star category there was an increase of 21.55% in the first year and in the following year an increase of 15.51%, thus registering an occupancy rate of 88% in 2017. This will be the segment to be discussed in the direct research which will be conducted through a personal interview to a sales executive of one of the main hotel chains in the luxury segment in Lisbon.

In the graph above, there is an analysis of the occupancy rates during the days of the event. Nevertheless, the growth rate in the occupancy rate in national hotels from 2016 to 2017 was around 3% (Lusa (2018)) and the figures in the graph show that these values are quite above that growth which leads to the conclusion that there is positive effect in the Portuguese hospitality occupancy thanks to the Web Summit event, especially in the luxury segment of four and five-stars hotels.

Qualitative Research - Interviews Analysis

Following the data previously analysed, for the qualitative research, Hotel chains and associations were contacted directly with the goal of performing interviews that could provide information for the analysis if the web summit really had a positive impact in the Portuguese economy and whether Hotels registered a higher occupation rates on those dates than what would be expected at that time. Unfortunately, all those responsible for the sales department who were contacted did not respond and showed no interest in collaborating in this study which is a missed opportunity because it would be good to be proved by a qualitative research.

Hence, the only interview that was possible to be carried out was the one of personal knowledge of an executive sales responsible in the Lisbon Sana Hotel. The interview reveals that the Hotel registered a higher occupancy rate on these Web Summit dates than what would be expected for the season, and consequently achieved more revenue. Moreover, the positive impact of this type of MICE events in the Sana Hotel represents about 30% to 40% of the revenue. Besides that, the respondent revealed that usually the months of July and August do not have events and have recorded quite high occupancy rates because it is high season. Hence, holding events in the low season period helps reducing seasonality and enhances their revenues and consequently the profitability of Hotels. Regarding other types of conferences and events, the final question was if this type of event had a positive impact on the Hotel Industry. The interviewed answered affirmatively, as it did raise prices due to the higher demand and also the revenue for hotels. This statement is very significant and may be generalized to other hotel chains since the law of supply and demand allows us to conclude that when there are revealed preferences that are translated into an increase in demand, the price has a tendency to increase and thus, in increasing the profit margin, there is a contribution for a higher profitability. Operators can use their capacities to go beyond their sources of professional knowledge and explore the available capacity to welcome people in a constant flow all over the year, thus

avoiding seasonality peaks, and simultaneously improving competitiveness against other international destinations.

Moreover, hotel-chain operators can cooperate to create new product-market domains for professional tourism, in designing new entertainment and attractions. Attractions may include the spa sector, nature and open-air attractions, related with the sea, water sports, or entertainment to extend stay periods. Discovery-led strategies for the exploitation of capabilities are important ways to target originality beyond already familiar domains.

Conclusions and Recommendations

This research was relevant to understand the impact of such a large event on the Portuguese hotel industry and it has allowed us to conclude that the web summit events had a really positive impact on the hotel sector in Portugal. Regarding other types of MICE events, we can conclude that they contribute positively to the hotel sector in Portugal, since they increase the demand for accommodation, which raises prices and consequently increases the profit margin.

So, Portugal should focus on promoting and attracting these kinds of large events, which not only generate more capital inflows for the national economy, but also boost local businesses and increase their revenues and profits.

As the hotel welcoming capacity is not exhausted in an annual accounting perspective, smoothing the occupancy rates is the real challenge for strategies that will cancel seasonality. Hotel strategies may combine macroeconomic planning to compete internationally, thanks to business-exploration perspectives, such as, extending the location of the events regionally. Many local units have also gained knowledge in the sector of welcoming, and may change their routines in order to diversify their practices with innovative strategies. The more innovative the hotel sector is, the more successful it will become to increase professional tourism inflows.

Global markets are very large and Lisbon has not reached its full capacity, also new innovative strategies have a lot of potential in the long-run.

Limitations

This dissertation could be more complete if there more data was available. Moreover, there is a lack of articulation in the data between the different tourism entities which have become a major constraint for my research. Also, there was practically no collaboration from tourism entities, only Tourism of Portugal have provided me with some data directly. All the secondary data was retrieved through the Database from the Lisbon Tourism Statistics and Studies Office and Travel Bi database. Furthermore, it will be interesting in the future to conduct a case study for a specific hotel and to research how many rooms were booked for participants of the web summit, room rates, and duration of their stay, thus having the possibility of understanding what the profit for that specific hotel was due to this event. For a further analysis, it would also be interesting to study the impact of the next web summit that will be held in November 2018. Given that this was a totally new topic and there was limited data available due to almost no collaboration from tourism entities, there were many limitations and barriers to the development of this thesis; still it was good to think of something innovative that had never been studied before and to give some suggestions for future researches that can be conducted with a more detailed analysis.

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Appendices

Appendix I. Collective Analysis of Web Summit

Figure 17. Worldwide ranking: Estimated total number of participants per country

RANK	COUNTRY	# PARTICIPANTS
1	U.S.A.	401.332
2	Germany	280.108
3	United Kingdom	228.642
4	Italy	219.041
5	Spain	217.724
6	Japan	205.537
7	France	176.660
8	China-P.R.	167.114
9	Republic of Korea	160.681
10	Netherlands	156.039
11	Austria	142.842
12	Canada	139.379
13	Brazil	118.765
14	Denmark	116.401
15	Australia	98.917
16	Mexico	97.559
17	Sweden	90.395
18	Switzerland	75.478
19	Thailand	74.390
20	Colombia	73.320
21	Portugal	72.622
22	Argentina	72.265
23	South Africa	70.738
24	India	70.231
25	Ireland	70.180

Source: International Congress and Convention Association Country & City Rankings 2016,

Figure 18. Worldwide ranking: number of meetings per country

RANK	COUNTRY	# MEETINGS
1	U.S.A.	934
2	Germany	689
3	United Kingdom	582
4	France	545
5	Spain	533
6	Italy	468
7	China-P.R.	410
	Japan	410
9	Netherlands	368
10	Canada	287
	Portugal	287
12	Austria	268
13	Republic of Korea	267
14	Sweden	260
15	Brazil	244
16	Australia	211
17	Poland	195
18	Belgium	194
19	Argentina	188
20	Switzerland	184

Source: International Congress and Convention Association Country & City Rankings 2016,

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Figure 19. Europe, Fastest-Growing Destination Cities by International Overnight Visitors

2016 rank	Destination City	Country	Overnight International Visitors (millions)						2016 Visitor Spend (USD billions)
			2012	2013	2014	2015	2016	% CAGR 2009 & 2016	
1	Hamburg	Germany	1.18	1.23	1.36	1.44	1.45	8.7%	\$1.5
2	Berlin	Germany	4.08	4.29	4.52	4.80	4.94	8.0%	\$5.0
3	Istanbul	Turkey	8.82	9.87	11.27	11.91	11.95	7.8%	\$7.5
4	Copenhagen	Denmark	1.31	1.39	1.50	1.57	1.63	7.7%	\$0.9
5	Lisbon	Portugal	2.64	2.93	3.50	3.58	3.63	7.4%	\$1.4
6	Budapest	Hungary	2.81	2.99	3.16	3.37	3.36	7.2%	\$1.0
7	Duesseldorf	Germany	1.60	1.69	1.77	1.88	1.95	7.2%	\$2.0
8	Bucharest	Romania	0.82	0.87	1.01	1.07	1.05	7.1%	\$0.3
9	Sofia	Bulgaria	0.80	0.86	0.95	0.97	1.01	6.9%	\$0.4
10	Barcelona	Spain	6.91	7.18	7.42	7.70	8.20	6.7%	\$9.3

Source: Hedrick-Wong and Choong, 2016

Figure 20. Mercer Cost of Living Ranking

Rank	City	Country
1	LUANDA	Angola
2	HONG KONG	HKSAR
3	TOKYO	Japan
4	ZURICH	Switzerland
5	SINGAPORE	Singapore
6	SEOUL	South Korea
7	GENEVA	Switzerland
8	SHANGHAI	China
9	NEW YORK CITY	United States
10	BERN	Switzerland
11	BEIJING	China
12	SHENZHEN	China
13	MOSCOW	Russia
13	VICTORIA	Seychelles
15	NDJAMENA	Chad
16	TEL AVIV	Israel
17	KINSHASA	Dem. Rep. of the Congo
18	GUANGZHOU	China
19	DUBAI	United Arab Emirates
20	OSAKA	Japan
21	SAN FRANCISCO	United States
22	ABU DHABI	United Arab Emirates
23	LOS ANGELES	United States
24	SYDNEY	Australia
24	TAIPEI	Taiwan
26	SAO PAULO	Brazil
27	COPENHAGEN	Denmark
28	LAGOS	Nigeria
29	LONDON	United Kingdom
30	BRAZZAVILLE	Congo
31	CHICAGO	United States
32	LIBREVILLE	Gabon
32	NANJING	China
34	NAGOYA	Japan
35	HONOLULU	United States
35	ST.PETERSBURG	Russia
37	TIANJIN	China
37	DHAKA	Bangladesh
39	WASHINGTON	United States
40	BUENOS AIRES	Argentina
41	MIAMI	United States
42	ABIDJAN	Côte d'Ivoire

42	NOUMEA	New Caledonia
42	SHENYANG	China
45	QINGDAO	China
46	CHENGDU	China
46	MELBOURNE	Australia
46	OSLO	Norway
49	DJIBOUTI	Djibouti
50	PERTH	Australia
51	BOSTON	United States
52	BEIRUT	Lebanon
52	RIYADH	Saudi Arabia
54	ACCRA	Ghana
55	MANAMA	Bahrain
56	RIO DE JANEIRO	Brazil
57	ASHKHABAD	Turkmenistan
57	MUMBAI	India
59	ABUJA	Nigeria
59	AMMAN	Jordan
61	AUCKLAND	New Zealand
62	DALLAS	United States
62	PARIS	France
64	WHITE PLAINS	United States
65	MONTEVIDEO	Uruguay
66	DUBLIN	Ireland
67	BANGKOK	Thailand
67	SANTIAGO	Chile
67	YANGON	Myanmar
70	YAOUNDE	Cameroon
71	BRISBANE	Australia
71	CANBERRA	Australia
71	MILAN	Italy
74	HOUSTON	United States
75	PORT OF SPAIN	Trinidad & Tobago
76	SEATTLE	United States
77	ADELAIDE	Australia
78	VIENNA	Austria
79	SAN JUAN	Puerto Rico
80	ROME	Italy
81	DOHA	Qatar
81	MORRISTOWN	United States
83	ATLANTA	United States
84	BANGUI	Central African Republic
85	AMSTERDAM	Netherlands
86	MINNEAPOLIS	United States

86	WELLINGTON	New Zealand
88	HELSINKI	Finland
88	JAKARTA	Indonesia
88	PANAMA CITY	Panama
91	CONAKRY	Guinea
92	MUSCAT	Oman
93	DAKAR	Senegal
94	DOUALA	Cameroon
95	DETROIT	United States
95	MANILA	Philippines
97	HO CHI MINH CITY	Vietnam
98	MUNICH	Germany
99	NEW DELHI	India
100	BANDAR SERI BEGAWAN	Brunei
100	CLEVELAND	United States
100	HANOI	Vietnam
100	ST. LOUIS	United States
104	BRUSSELS	Belgium
104	LIMA	Peru
106	STOCKHOLM	Sweden
107	LUXEMBOURG	Luxembourg
107	PITTSBURGH	United States
107	VANCOUVER	Canada
110	SAN JOSE	Costa Rica
111	GUATEMALA CITY	Guatemala
111	KUWAIT CITY	Kuwait
111	MADRID	Spain
111	NAIROBI	Kenya
115	PHNOM PENH	Cambodia
115	PORTLAND	United States
117	FRANKFURT	Germany
117	JEDDAH	Saudi Arabia
119	TORONTO	Canada
120	BERLIN	Germany
121	BARCELONA	Spain
122	DUSSELDORF	Germany
123	QUITO	Ecuador
123	TASHKENT	Uzbekistan
125	HAMBURG	Germany
126	BAMAKO	Mali
126	BRASILIA	Brazil
126	RIGA	Latvia
129	MONTREAL	Canada
130	CASABLANCA	Morocco

130	POINTE A PITRE	Guadeloupe
132	COLOMBO	Sri Lanka
132	PRAGUE	Czech Rep.
134	PORT AU PRINCE	Haiti
135	CHENNAI	India
136	ADDIS ABABA	Ethiopia
137	LISBON	Portugal
137	LYON	France
139	COTONOU	Benin
140	WINSTON SALEM	United States
141	STUTTGART	Germany
142	ISTANBUL	Turkey
143	CALGARY	Canada
144	ATHENS	Greece
144	LOME	Togo
146	ABERDEEN	United Kingdom
147	BIRMINGHAM	United Kingdom
147	BRATISLAVA	Slovakia
147	KIGALI	Rwanda
150	SANTO DOMINGO	Dominican Rep.
151	HAVANA	Cuba
152	OTTAWA	Canada
153	BOGOTA	Colombia
153	OUAGADOUGOU	Burkina Faso
155	KINGSTON	Jamaica
156	HARARE	Zimbabwe
156	SAN SALVADOR	El Salvador
158	NIAMEY	Niger
159	ZAGREB	Croatia
160	TALLINN	Estonia
161	GLASGOW	United Kingdom
161	LJUBLJANA	Slovenia
163	KIEV	Ukraine
164	DAR ES SALAAM	Tanzania
165	KUALA LUMPUR	Malaysia
166	BANGALORE	India
167	VILNIUS	Lithuania
168	NURNBERG	Germany
169	RABAT	Morocco
170	BELFAST	United Kingdom
171	PORT LOUIS	Mauritius
172	LEIPZIG	Germany
173	ISLAMABAD	Pakistan
173	LIMASSOL	Cyprus

175	ALMATY	Kazakhstan
176	BUDAPEST	Hungary
177	MEXICO CITY	Mexico
178	ASUNCION	Paraguay
179	LUSAKA	Zambia
180	WARSAW	Poland
181	BUCHAREST	Romania
182	BAKU	Azerbaijan
183	CAIRO	Egypt
184	KOLKATA	India
184	SOFIA	Bulgaria
186	KAMPALA	Uganda
187	ALGIERS	Algeria
188	MAPUTO	Mozambique
189	NOUAKCHOTT	Mauritania
189	TIRANA	Albania
191	JOHANNESBURG	South Africa
192	BANJUL	Gambia
193	LA PAZ	Bolivia
194	MANAGUA	Nicaragua
195	YEREVAN	Armenia
196	GABORONE	Botswana
197	TEGUCIGALPA	Honduras
198	BELGRADE	Serbia
199	CAPE TOWN	South Africa
200	MINSK	Belarus
201	KARACHI	Pakistan
202	SARAJEVO	Bosnia and Herzegovina
203	MONTERREY	Mexico
204	TBILISI	Georgia
205	BLANTYRE	Malawi
206	SKOPJE	Macedonia
206	WINDHOEK	Namibia
208	BISHKEK	Kyrgyzstan
209	TUNIS	Tunisia

Source: Mercer's 2017 Cost of Living Survey

Appendix II. Web Summit Survey Statistics

Figure 21. Respondents' gender

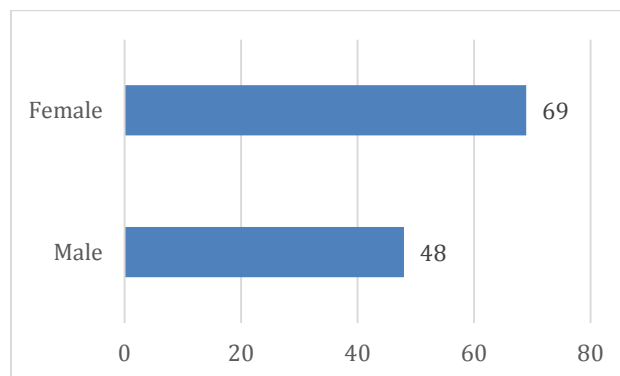


Figure 22. Respondents' age distribution

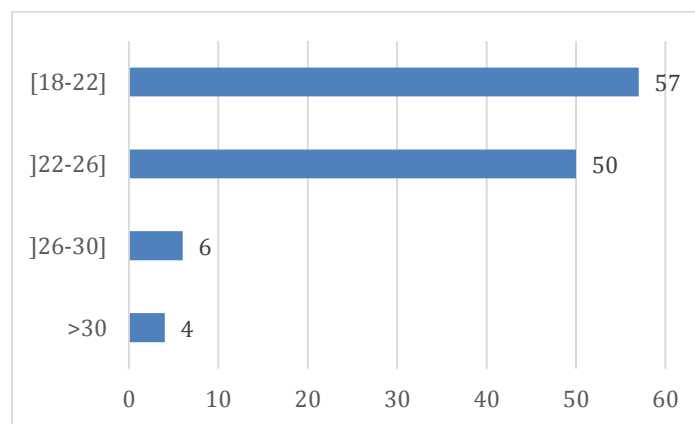


Figure 23. Respondents' country distribution

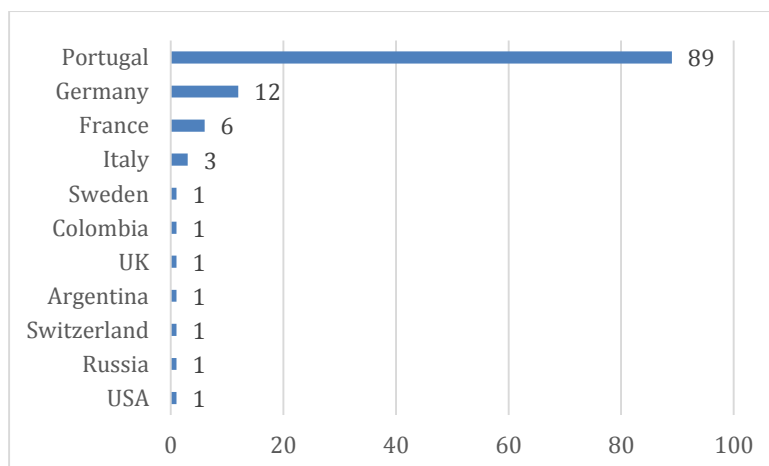


Figure 24. Respondents' Web Summit edition of participation

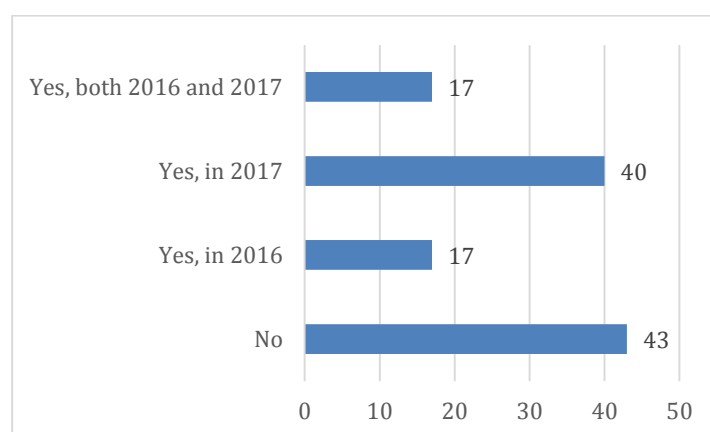


Figure 25. Respondents' participation

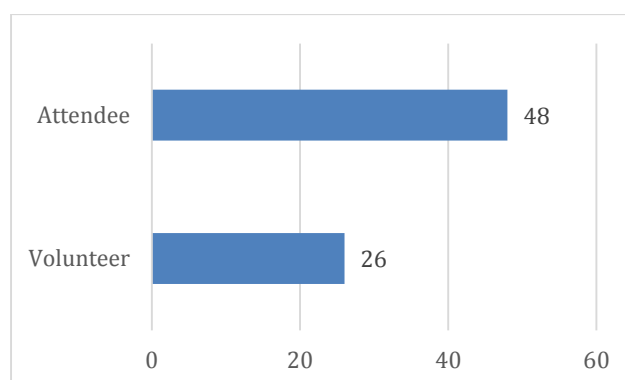


Figure 26. How respondents become aware of Web Summit

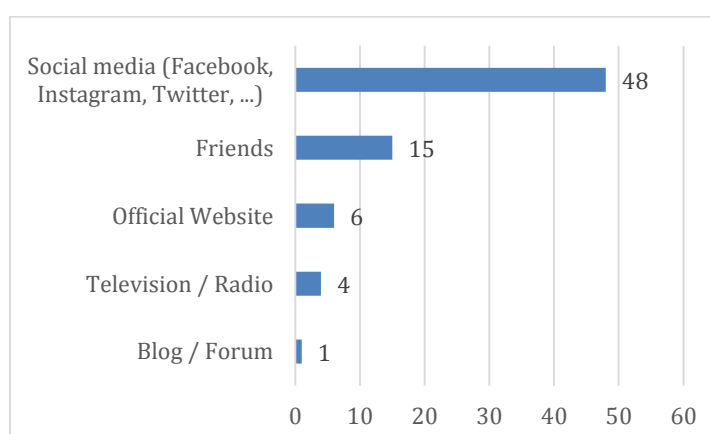


Figure 27. Respondents' satisfaction of various aspects

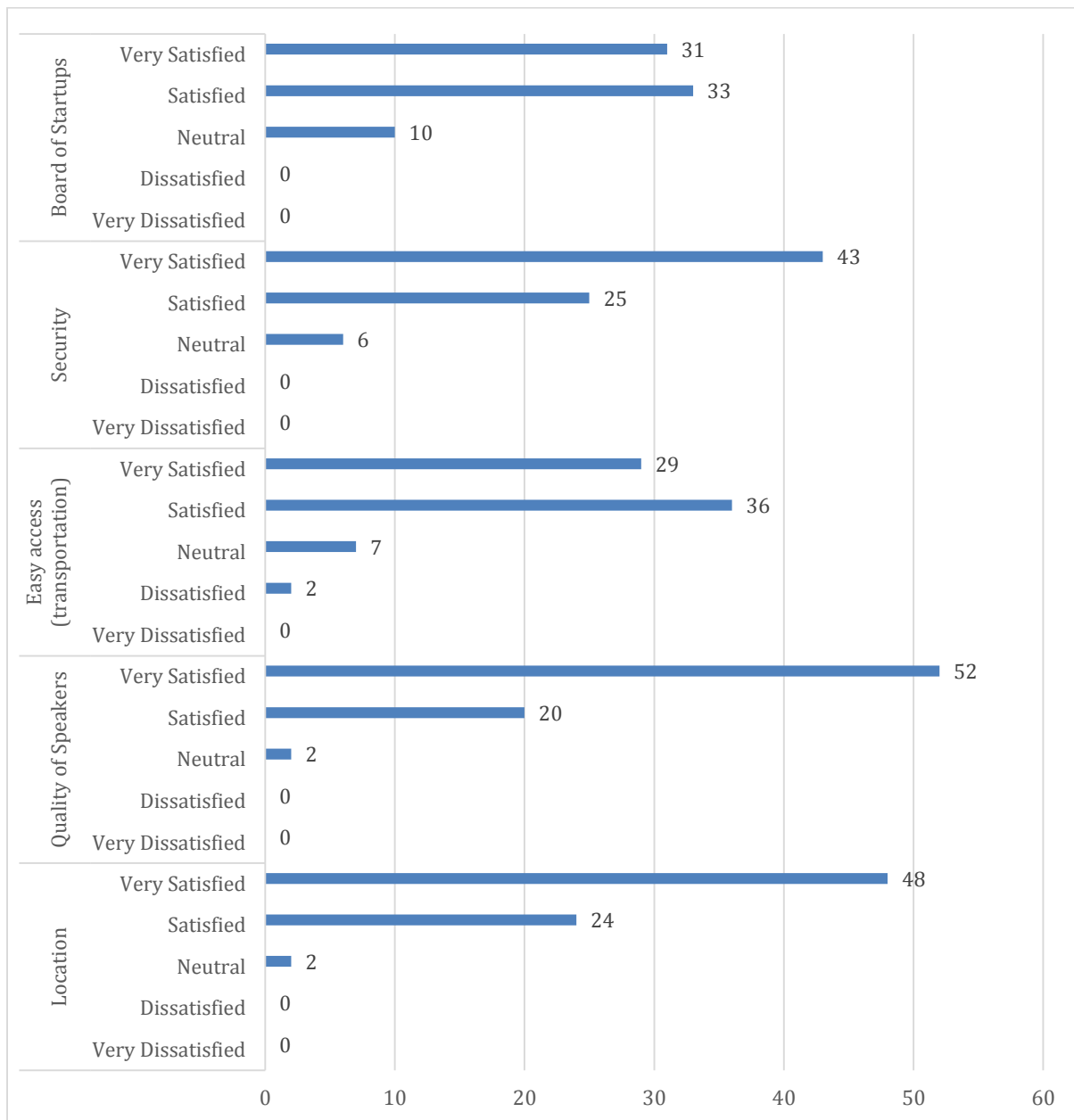


Figure 28. Respondents' accommodation location

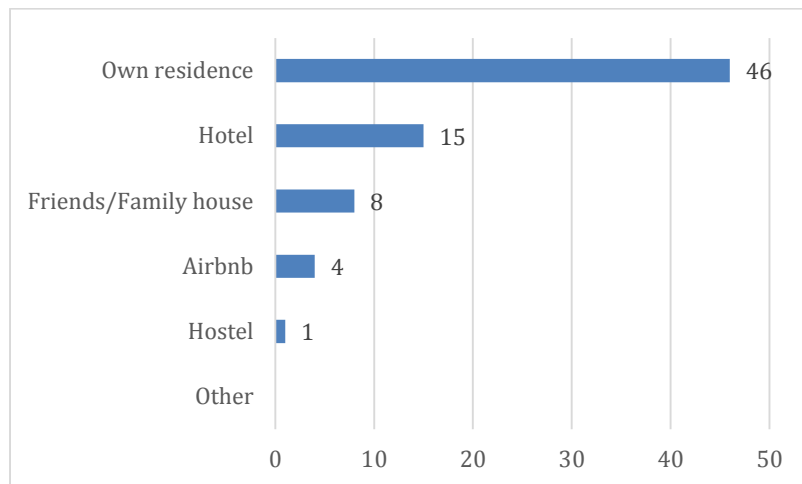


Figure 29. Respondents' reasons to participate in the Web Summit

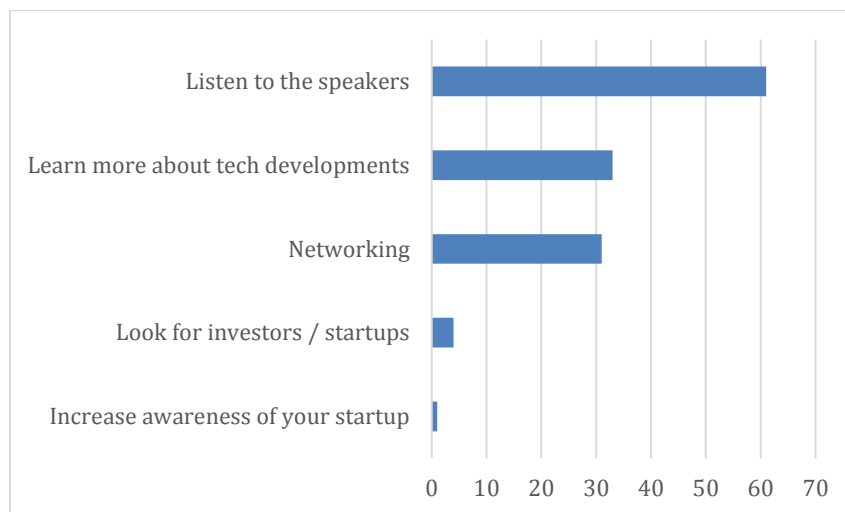


Figure 30. Respondents planning to come to the Web Summit 2018

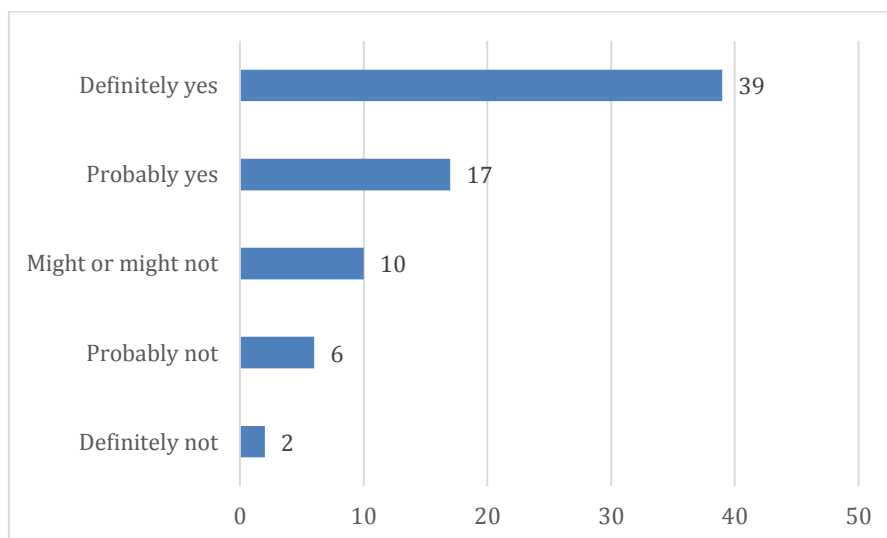


Figure 31. Respondents planning to come to the Web Summit 2018, if it was not held in
Lisbon but in other European city

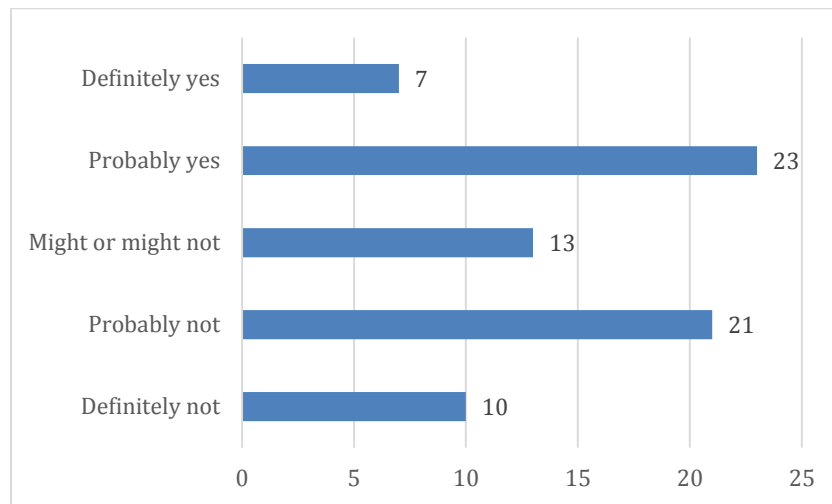


Figure 32. Respondents considering that the event had a positive economic impact

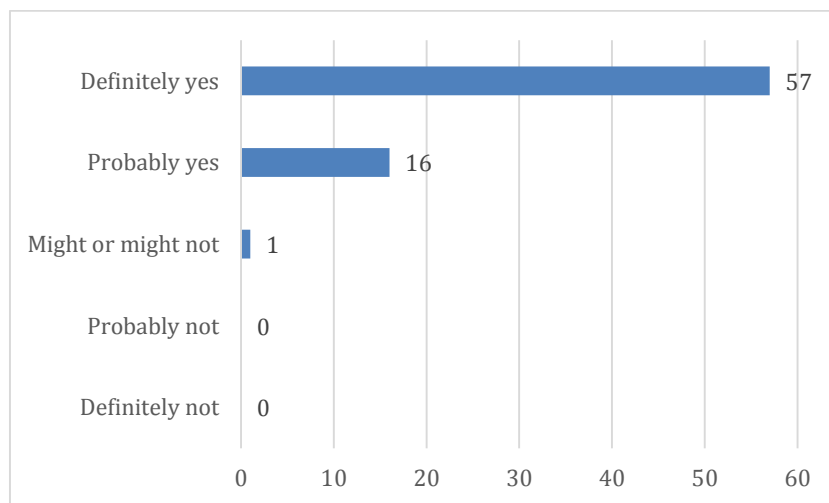
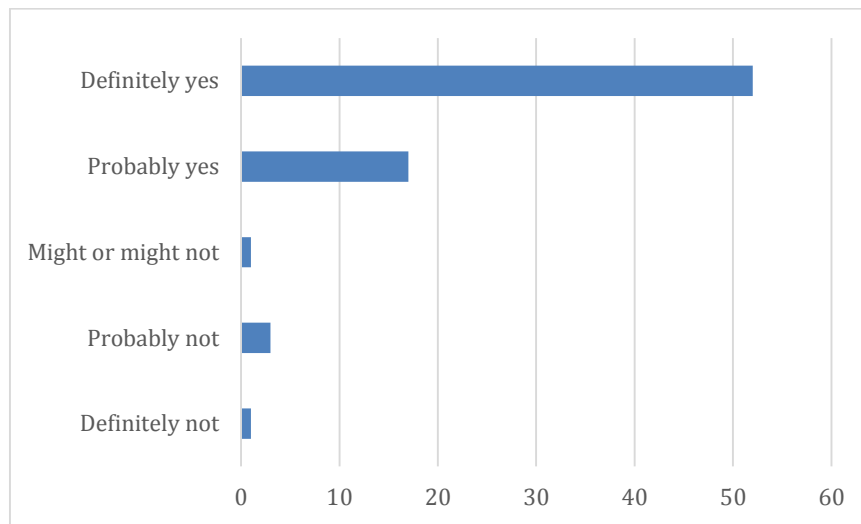


Figure 33. Respondents' willingness to recommend friends to participate in the event



Appendix III. Road2WebSummit Survey's template

Q1 - Startup name:

Q2 - Please select one industry. List: (22 industries)

Q3 - In which edition of Web Summit was your startup present?

- ☐ Both 2016 and 2017
- ☐ Only 2016
- ☐ Only 2017

Q5 - What was your startup stage (ALPHA, BETA or GROWTH)?

- ☐ ALPHA
- ☐ BETA
- ☐ GROWTH

Q6 - Prior to the event, what were your main objectives? Please drag no more than 3 options and order according importance.

Items	Objectives:
Financing (Investors)	
Technology Partner	
Sales Partner	
Strategic Partner	
Product Test	
Networking	
Raise Awareness	

Q7 - Based on your expectations for the event, please classify each of the attributes on a five-point scale.

	Below	Slightly below	As expected	Slightly above	Above
Financing(Investors)					
Technology Partner					
Sales Partner					
Strategic Partner					
Product Test					
Networking					
Raise Awareness					
Overall objectives					

Q8 - Given that one of the goals of Web Summit is to create an environment to promote the global connectedness among different stakeholders, what was the number of

connections that your startup did during the whole event? (If you don't know this information, please write an estimate number)

Q9 - What was the total number of connections done in 2017, including the ones occurred in Web Summit? (If you don't know this information, please write an estimate number)

Q10 - To what extent do you agree with the following statement “Web Summit was able to create an amazing atmosphere that facilitated the connections among the different stakeholders”.

- ☐ Strongly agree
- ☐ Somewhat agree
- ☐ Neither agree nor disagree
- ☐ Somewhat disagree
- ☐ Strongly disagree

Q11 - Did your Startup participated in any more international summits in 2016 and 2017?

- ☐ No
- ☐ Yes

Display This Question: If Did your Startup participated in any more international summits in 2016 and 2017? Yes Is Selected

Q12 - How many summits did your startup participated in 2016 and 2017, beyond Web Summit?

Q13 - If for any reason, your startup didn't qualify for the Road2WebSummit program, would you be present in the conference as well?

- ☐ Definitely yes
- ☐ Probably yes
- ☐ Might or might not
- ☐ Probably not
- ☐ Definitely not

Q14 - And if the Web Summit was held in a different European country?

- ☐ Definitely yes
- ☐ Probably yes
- ☐ Might or might not
- ☐ Probably not
- ☐ Definitely not

Appendix IV. Road2WebSummit Survey Statistics

Figure 34. Respondents' industries distribution

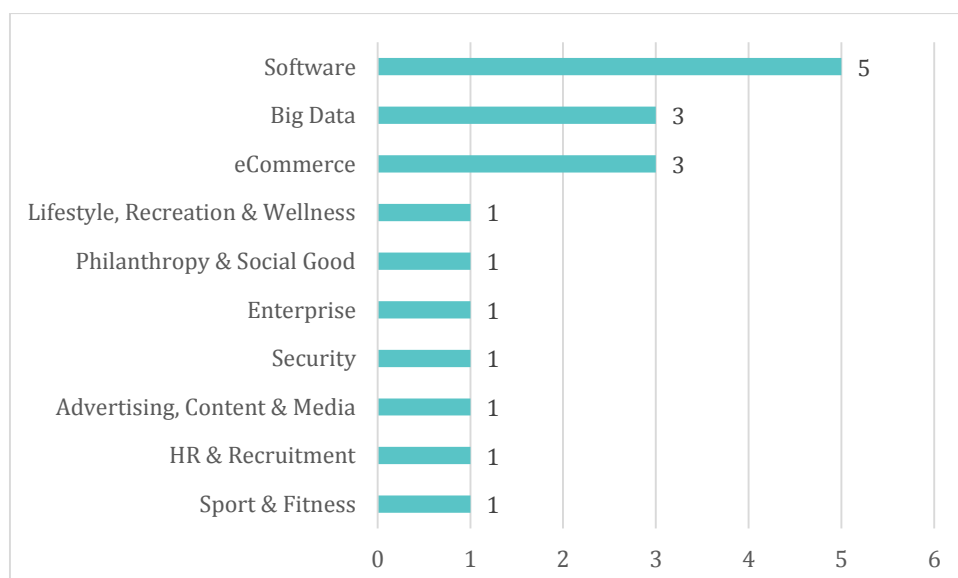


Figure 35. Respondents' Web Summit edition of participation

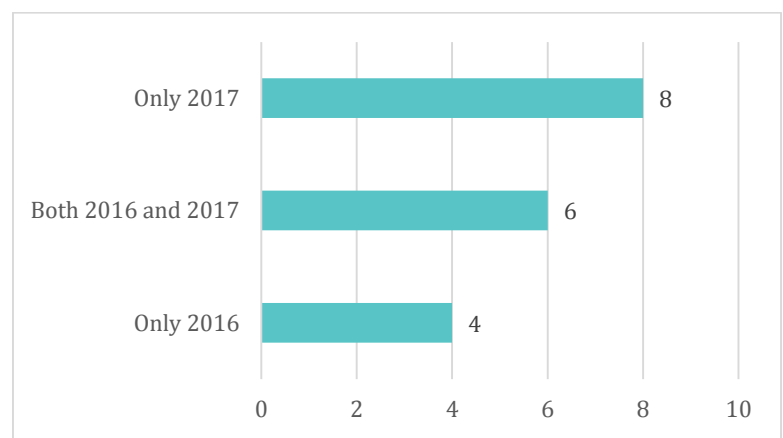


Figure 36. Respondents' startup stage

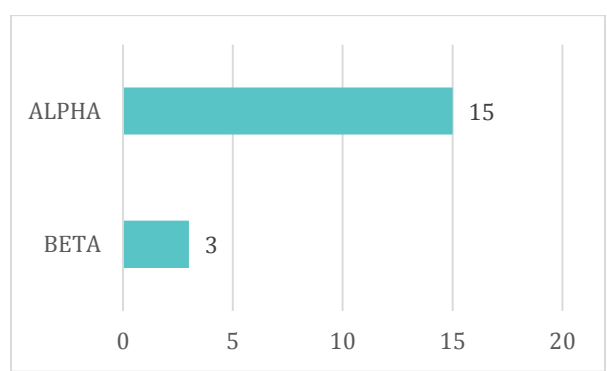


Figure 37. Respondents' objectives by importance

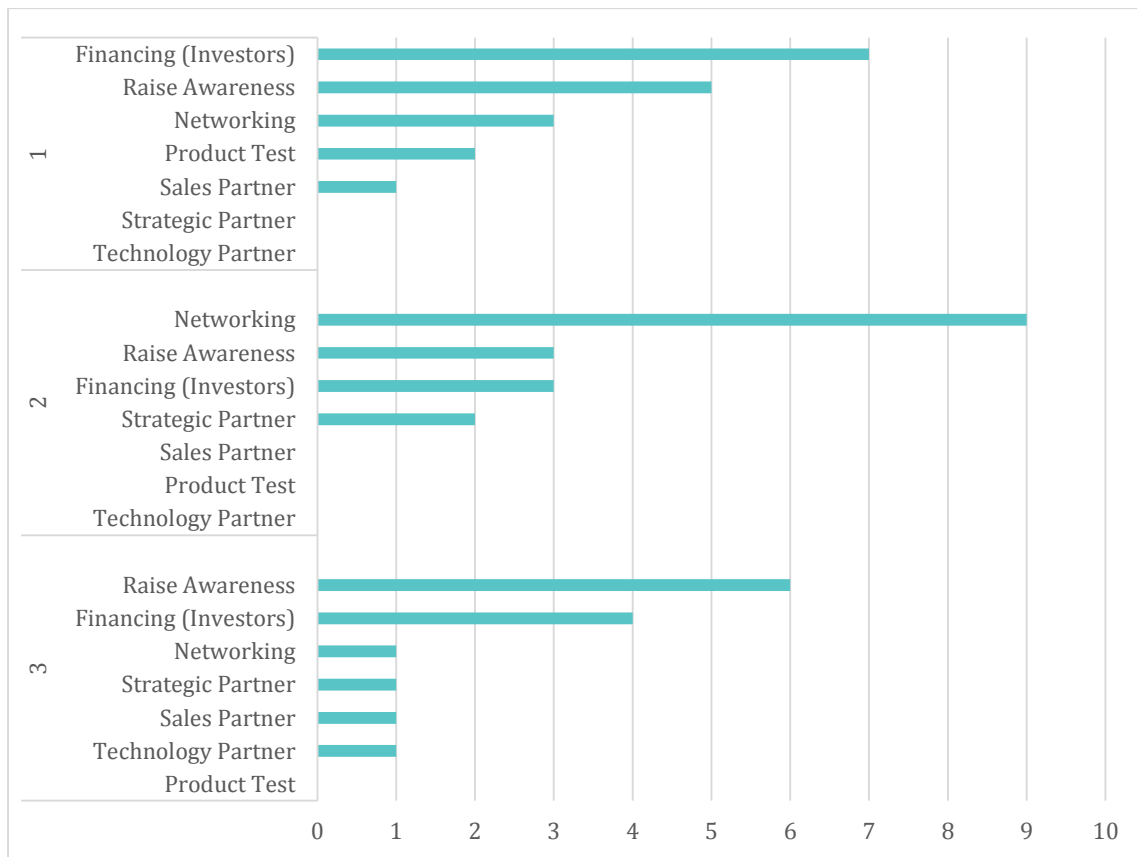


Figure 38. Respondents' classification of each attribute based on expectations

	Below		Slightly below		As expected		Slightly above		Above		
Financing (Investors)	28,6%	4	21,4%	3	42,9%	6	7,1%	1	0,0%	0	14
Technology Partner	0,0%	0	0,0%	0	100,0%	1	0,0%	0	0,0%	0	1
Sales Partner	100,0%	2	0,0%	0	0,0%	0	0,0%	0	0,0%	0	2
Strategic Partner	66,7%	2	0,0%	0	33,3%	1	0,0%	0	0,0%	0	3
Product Test	0,0%	0	0,0%	0	0,0%	0	50,0%	1	50,0%	1	2
Networking	7,7%	1	15,4%	2	46,2%	6	23,1%	3	7,7%	1	13
Raise Awareness	7,1%	1	14,3%	2	50,0%	7	14,3%	2	14,3%	2	14
Overall objectives	11,1%	2	27,8%	5	44,4%	8	16,7%	3	0,0%	0	18

Figure 39. Respondents' connections during Web Summit

Minimum	Maximum	Mean	Std Deviation	Variance	Count
10	150	43,72222	40,23432	1618,801	18

Figure 40. Respondents' connections during 2017

Minimum	Maximum	Mean	Std Deviation	Variance	Count
11	500	125,3333	118,7915	14111,41	18

Figure 41. “Web Summit was able to create an amazing atmosphere that facilitated the connections among the different stakeholders”

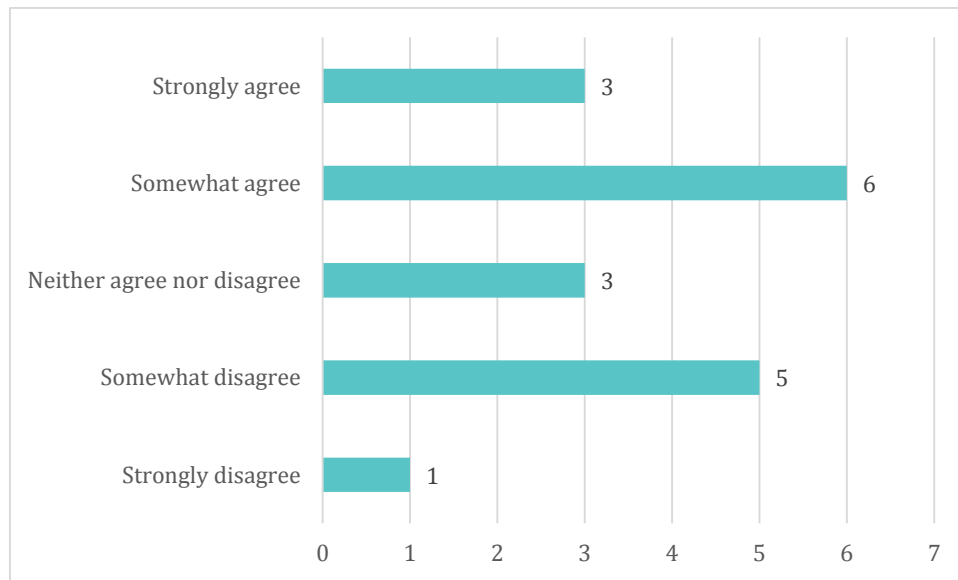


Figure 42. Respondents' participation in international summits beyond Web Summit

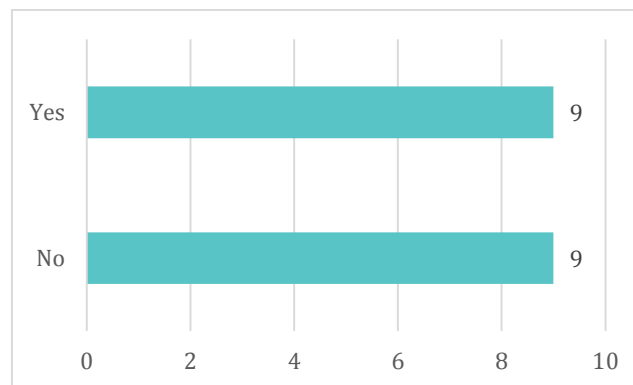


Figure 43. Respondents' participation in international summits beyond Web Summit

Minimum	Maximum	Mean	Std Deviation	Variance	Count
2	10	4,555556	2,499383	6,246914	9

Figure 44. "If for any reason, your startup didn't qualify for the Road2WebSummit program, will you be present in the conference as well?"

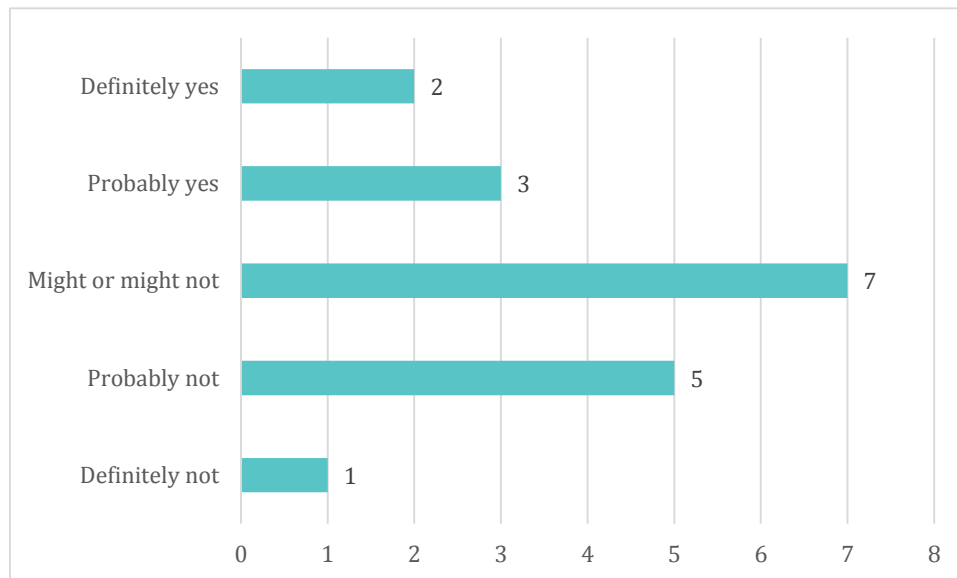
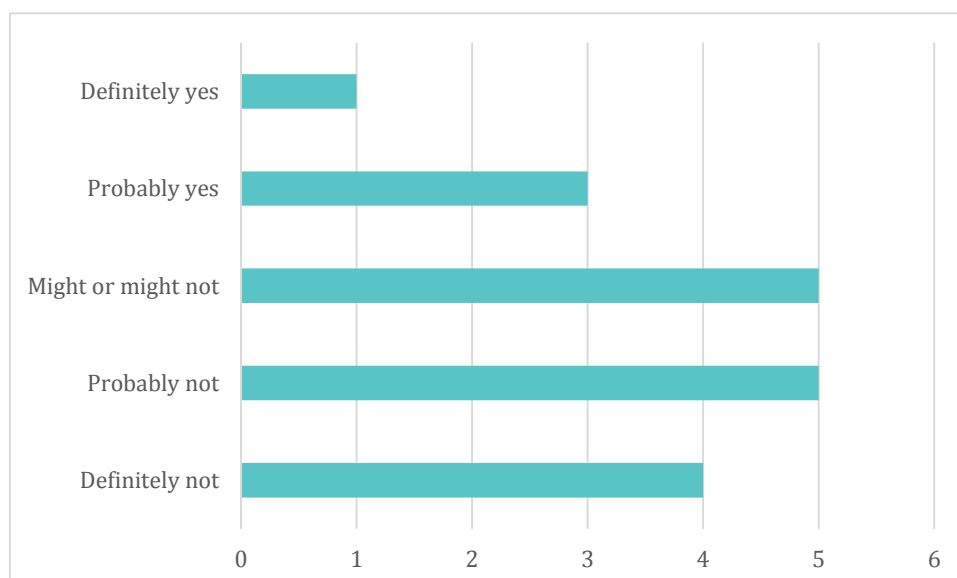
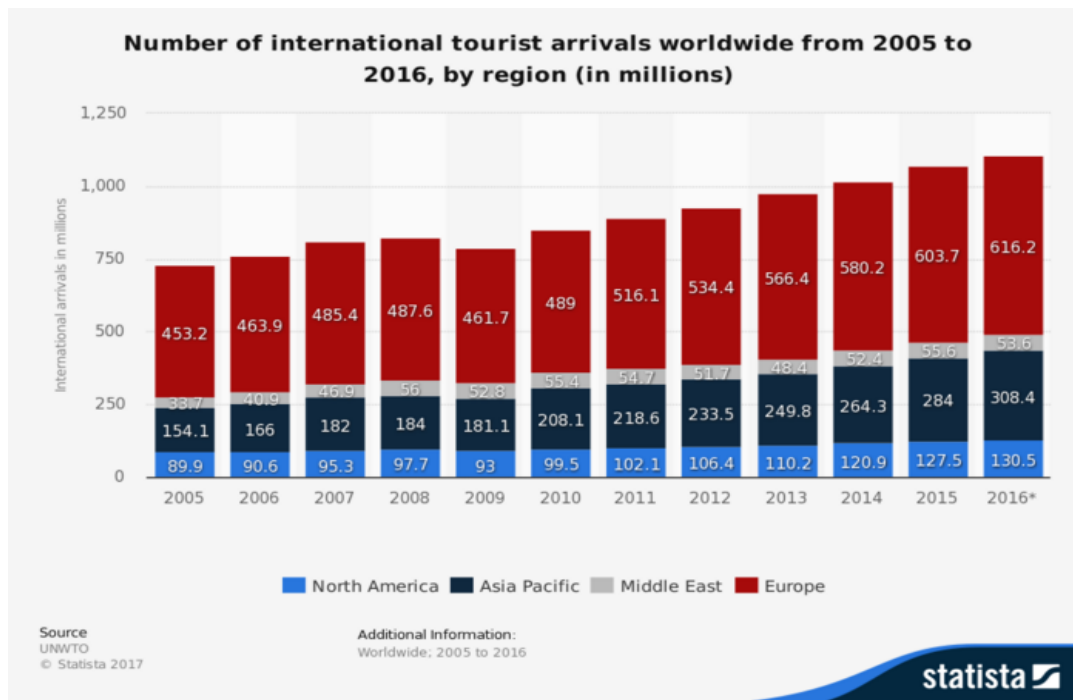


Figure 45. "And if the Web Summit was held in a different European country?"



Appendix V. Impact of Web Summit on the Hospitality Industry

Figure 46. Number of international arrivals worldwide from 2005 to 2016, by region



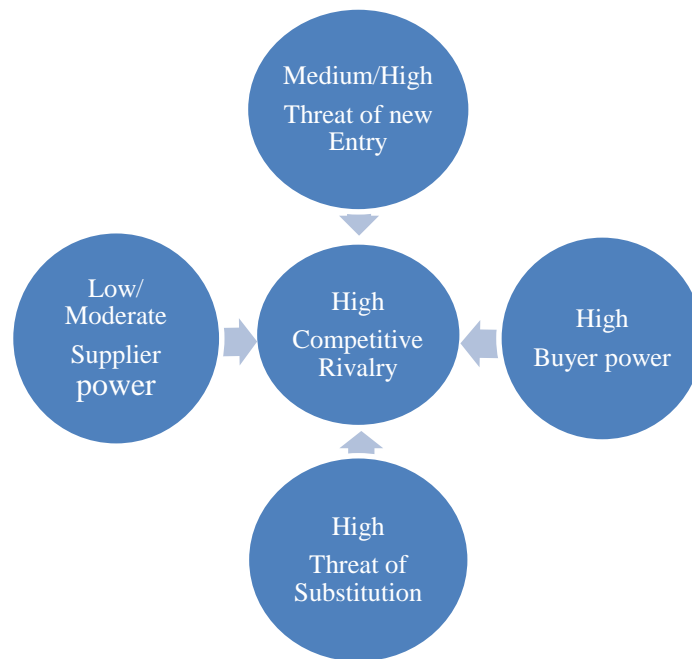
Source: UNWTO: Statista (2017)

Appendix VI. Hospitality Industry: Competition

Hotel Industry: Competition

For a better understanding of the Hotel industry and its competition we will use the Michael Porter's five forces, where each of the five forces will be explained in the appendix due to space requirements.

Figure 47. Porter's Five Forces Analysis



1) Competition and Threat of new-entry in the industry

Firstly, supply and rivalry will be considered. Rivalry is considered to be high as, in this industry, there is a large number of players who compete to attract the highest number of tourists and, as a result, a large number of players leads to an increase in competition. There are entry barriers to a certain extent which are related with knowledge in the tourism sector, efficient cost spending, economies of scale and scope and upfront investment for the construction of new units. Despite this, it is possible to enter the industry in a relatively easy way by opening a small, independent hotel and that's why new entrants may threaten those already established in the business. There is the emergence of new entrepreneurial players, with lower costs that can be a threat to the hotel industry. Because the competition has been intensified with multiple offers for tourists, operators have increased the rivalry amongst them. This may represent a private-weakness for any operator, but statistics prove that the collective turning-point to a joint over-supply has not been reached in Portugal.

2) Competitive strategies and threat of substitution

The threat of substitution is considered to be very high because there are many substitutes available, there is a wide variety of hotels of three and four stars that can be considered substitutes between them and could be an option for tourists to stay during their holidays at a destination. Moreover, there is the emergence of other kinds of accommodation, like Airbnb that is becoming more and more popular nowadays, especially among the younger generation and can be considered a major threat to the hotel industry. According to Ledo (2017) in 2016 around 15 thousand visitors registered their accommodation through the Airbnb platform, mainly in France, the United Kingdom and Germany.

To overcome this threat, many large operators have diversified their offer of services to some extent adding additional businesses such as shops and restaurants. To attract and sustain higher business levels, operators have tried to offer more complex packages and value-added services beyond their core competencies (spas, golf, guided tours, and excursions). Different value chains mean new competitive strategies which may represent a high threat of substitution for the more traditional operators.

3) High competitive rivalry among existing competitors

For any hotel (or firm in the tourism sector) the most important aspect is profitability. High competitive rivalry is a weakness, comparative prices for levels of comfort in the hotels (two, three, four, or five stars) or clients' opinions in the internet cannot tell all about those hotels, individually. Moreover, high-competitive rivalry is also a strength for the entire sector of tourism, as different industrial-organizational aspects also mean better collective performance in the entire sector. Survivors will benefit from the failures of others and will go on adapting their business model.

4) Low/ Moderate suppliers' power

Business-model adaptation represents a low/ moderate supplier's power because there is a large number of suppliers available and adaptations could be done. It may be combined with mergers within the tourism sector, scale improvement for suppliers, and better information or forecasting about consumers' preferred amenities to be offered. Not only services to clients can be improved, but also pricing may be manipulated. Launching promotional marketing strategies to favour one firm's competitiveness or increasing them to target wealthier clients, the demand elasticity to price will determine profitability. Simultaneously these kinds of business strategies can improve one's capacity to remove competitors from the market in the tourism sector.

5) High Buyers' power

Buyer's power is considered to be high, since in this sector there is a large offer available for tourist. Hotels have to gain some competitive advantage in brand recognition and innovation that helps them attract first time customers and repeat business and therefore differentiate themselves from the competition. An eventual weakness has to do with the volatility of tourism flows. Tourism cycles exist and a boom may give place to a boost. From this perspective, scheduled global events such as the Web-Summit fairs, sports final matches, or other dully-scheduled global events are excellent factors of strength for tourism inflows. Social peace, climate amenity, high-quality gastronomy, and welcoming friendliness are other real aspects related to the sector's strengths. If Portugal can command most of the mentioned items, the great weakness is related with the possibility of terrorism attacks, which would dramatically threaten not only Web-Summit fairs and other scheduled global events, but also the positive trend of tourism in Portugal in the last few years.

Appendix VII. Qualitative Research: Interview

Interview

Nome da Cadeira Hoteleira? Sana Lisbon Hotel – Sales Executive

1. A cadeia /hotel em Lisboa registou uma maior taxa de ocupação nestas datas do Web Summit do que o que seria expectável para a época?

2016 - sim

2017 - sim

2. Qual o impacto que o web summit teve em sua receita

2016 – mais receita

2017 – mais receita

3. Quais as principais nacionalidades dos turistas nos Web Summits?

2016 – inglesa, alemã, francesa

2017 – inglesa, alemã e francesa

4. Quanto tempo antes (meses) fizeram sua reserva?

2016 – 4/5 meses

2017 – 2/3 meses antes

5. Qual o canal utilizado para reservas?

Bookings , outras semelhantes

Diretamente

6. Vieram sozinhos para o Web summit ou com a família?

2016 - sozinhos

2017 - sozinhos

7. Quantos dias permaneceram no hotel?

2016 – 5/6 noites

2017 – ¾ noites

8. Existe disponibilidade de infraestrutura para Conferencias e eventos no seu hotel/cadeia hoteleira? Quais? Sim, 15 salas de reunião
9. Qual a frequência de utilização? - diária
10. Qual a capacidade? máximo para 340 pessoas em plateia
11. Os clientes são maioritariamente:
Nacionais ou internacionais? ambos
Empresas privadas ou publicas? ambos
12. Existe sazonalidade na ocorrência de eventos? Atenuar sazonalidade! Sim, normalmente os meses de julho e agosto não costumam ter eventos e já se registam taxas de ocupação bastantes elevadas porque é época alta. Desta forma, a realização de eventos em época baixa ajuda a reduzir a sazonalidade.
13. Qual o impacto dos eventos na sua receita? Quanto aumenta com o evento?
Representam 30/40% da receita
14. O que melhoraram de 2016 para 2017 com vista a dar resposta ao aumento de procura nestas datas? Em que área? Sim
Especificar áreas – Housekeeping; Pequeno-almoço
15. Generalizando para outros tipos de conferências, considera que este tipo de eventos tem um impacto positivo na Hotelaria? No seu hotel em Lisboa/cadeia hoteleira.
Sim, tem um impacto positivo para a economia do hotel e da cidade. Uma vez que faz aumentar os preços e com isso a receita dos hotéis.